



Special/Regular Meeting Agenda
City Council

Rich Constantine - Mayor
Gino Borgioli - Mayor Pro Tem
John McKay - Council Member
Yvonne Martinez Beltran - Council Member
Rene Spring - Council Member

Wednesday, August 17, 2022 5:00 PM

Virtual Meeting
Link to join the meeting can be found below

VIRTUAL MEETING GUIDELINES AND PUBLIC COMMENT

In accordance with Executive Order N-25-20 and guidance from the California Department of Public Health on gatherings, remote public participation is allowed. Physical meetings will not be in the City Council Chamber until further notice. City Council meetings will be live-streamed on Channel 17, on the City's website, and on the City's Facebook page. Those members of the community that would like to participate in the meetings remotely may do so by joining the virtual meeting at: <https://bit.ly/MHCityCouncilMeeting> or by calling (669) 900-9128, then enter the webinar id: 873 3200 8380#.

Public comment may be provided in the following ways:

- Join the virtual City Council meeting via the link above, when public comment is opened, raise your virtual hand and be called upon to speak for up to 3 minutes (YOU MUST BE RUNNING THE MOST CURRENT VERSION OF ZOOM TO BE UNMUTED)
- Join the virtual meeting by calling the number above, dial *9 to raise your hand, and be called upon to speak for up to 3 minutes
- Send public comments in writing to the City Clerk at ccpubliccomment@morganhill.ca.gov

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

SPECIAL/REGULAR MEETING

A special meeting of the City Council is called at 5:00 p.m. for the purpose of conducting a Mid-Year Goal Review Workshop

CALL TO ORDER

ROLL CALL ATTENDANCE

DECLARATION OF POSTING AGENDA

SPECIAL MEETING

5:00 p.m.- Mid-Year Goal Review Workshop

WORKSHOP

1. CITY COUNCIL MID-YEAR GOAL REVIEW WORKSHOP

1. Review and discuss:
 - a. 2022-2023 Sustainable Morgan Hill, including Vision, Ongoing Priorities, and Strategic Priorities and
 - b. 2022-2023 Strategic Priorities Work Plan
2. Determine whether to have Future Agenda Items on the following*:
 - a. Term limits for Commissioners, Council Members, and the Mayor
 - b. Methods on how to increase diversity on Commissions
 - c. Alignment, civility, and behavior of City Council Members
 - d. Process to monitor outside committee assignments to identify when an alternate is needed and to share how City Council Members voted at those committees.
 - e. Council Member reimbursements for dependent care costs during Council meetings
 - f. Policy for deadlines for submittal of agenda item supplements and a policy limiting the number of times a Council meeting can be extended.
 - g. Review of City Council budget, including establishing policy on how City Council Member attendance at conferences is funded.
3. Review and discuss City Council Follow-up/Future Council Initiated Agenda Items.

The above items were brought forward by City Council Members during the *Future Council Initiated Agenda Items* section of City Council meetings. At the Mid-Year Goal Setting, the City Council will be asked whether they want the items to be considered at a future meeting. If a majority of City Council Members

want the items to be considered, they will be added to future agendas. See the attachment for *City Council Follow-up/Future Council Initiated Agenda Items* that will be brought forward as part of Staff's Work Plan.

REGULAR MEETING

7:00 p.m.

PROCLAMATIONS

Proclaiming the month of September as Emergency Preparedness Month

CITY COUNCIL REPORTS

Council Member McKay

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

OTHER REPORTS

PUBLIC COMMENT

This opportunity for public comment is for items that are not on the agenda. If you would like to make comments on an item that is on the agenda, please wait until we get to that item to offer your comments. Members of the public are entitled to address the City Council concerning any item within the Morgan Hill City Council's subject matter jurisdiction. Public comments are limited to no more than three minutes. Except for certain specific exceptions, the City Council is prohibited from discussing or taking action on any item not appearing on the posted agenda. Public comment is intended for comments. Questions posed during public comment are not generally answered. If you have questions, please send them to the City Clerk at ccpubliccomment@morganhill.ca.gov to receive a response. (See additional noticing at the end of this agenda)

ADOPTION OF AGENDA

CONSENT CALENDAR

Items appearing on the Consent Calendar are considered routine and may be approved by one motion. Pursuant to City Council Policies and Procedures (CP 97-01), any member of the Council or public may request to have an item removed from the Consent Calendar for comment and action.

Time Estimate for Consent Calendar: 1 - 10 Minutes

2. APPROVE PHASE 2 RECORDS RETENTION SCHEDULE UPDATE

Recommendation:

Approve changes to the City's Records Retention Schedule.

3. APPROVE CONTRACT BETWEEN THE COUNTY OF SANTA CLARA AND THE CITY OF MORGAN HILL FOR CONTINUATION OF HOMELESS PREVENTION SERVICES

Recommendation:

Approve and authorize the City Manager to execute and administer a two-year contract with the County of Santa Clara to continue to support Homeless Prevention Services for a total of \$100,000.

4. APPROVE PACIFIC GAS AND ELECTRIC COMPANY AGREEMENT TO UNDERGROUND DRY UTILITIES FOR THE UPPER LLAGAS CREEK FLOOD CONTROL AND HALE AVENUE EXTENSION PHASE 2B PROJECT BETWEEN WRIGHT AND MAIN AVENUES

Recommendation:

Approve and authorize the City Manager to execute and administer a Pacific Gas and Electric Company Agreement to underground dry utilities at the intersection of Main and Hale Avenues for a not to exceed amount of \$589,199.

5. APPROVE SOLID WASTE FRANCHISE EXTENSION

Recommendation:

Authorize the City Manager to execute a four-month franchise extension with Recology South Valley.

6. APPROVE REVISIONS TO CITY COUNCIL POLICY CP-94-04, THE CITY'S INVESTMENT POLICY

Recommendation:

Approve revisions to City Council Policy CP-94-04, the City's Investment Policy.

7. AUTHORIZE THE CITY MANAGER TO AMEND THE AGREEMENT WITH FLOCK SAFETY TO ADD AN ADDITIONAL 25 FLOCK SAFETY AUTOMATED LICENSE PLATE READERS

Recommendation:

Authorize the City Manager to amend the Agreement with Flock Safety to add an additional 25 Flock Safety cameras for a one-time cost of \$74,750 for

infrastructure and software upgrade, with an on-going annual cost of \$66,000.

PUBLIC HEARINGS

8. **PUBLIC REVIEW OF THE DRAFT CITY OF MORGAN HILL 2023-2031 HOUSING ELEMENT UPDATE AND APPROVE SUBMISSION OF CITY OF MORGAN HILL 2023-2031 HOUSING ELEMENT UPDATE TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**

Recommendation:

Review the Draft City of Morgan Hill 2023-2031 Housing Element Update and adopt the Resolution directing the City to submit the Draft 2023-2031 Housing Element to the California Department of Housing and Community Development for review.

OTHER BUSINESS

9. **APPROVE UPDATES TO THE HOTEL STRATEGY AND INCENTIVE POLICY TO SUPPORT NEW HOTEL DEVELOPMENT AND REHABILITATION OF EXISTING HOTELS**

Recommendation:

Approve updates to the Hotel Incentive Policy to support new hotel development and rehabilitation of existing hotels.

10. **RECEIVE MONTHLY BUDGET UPDATE; PRELIMINARY FY 21-22 FINANCIAL AND INVESTMENT REPORTS; CITY MANAGER AUTHORITY REPORT; AND ADOPT BUDGET AMENDMENTS**

Recommendation:

1. Accept and file Preliminary Fiscal Year (FY) 2021-2022 Financial and Investment Report and City Manager Authority Report; and
2. Adopt resolution authorizing changes to the adopted Fiscal Year (FY) 2021-2022 City of Morgan Hill Operating Budget.

11. **APPOINT VOTING DELEGATES FOR THE 2022 CALCITIES (LEAGUE) ANNUAL CONFERENCE AND APPROVE CITY SUPPORT OF THE RESOLUTION TO BE CONSIDERED**

Recommendation:

1. Appoint a voting delegate and up to two (2) alternate voting delegates to the CalCities Annual Conference;
2. Direct the Clerk team to complete and forward the voting delegate form to CalCities;

3. Confirm "support" for the resolution to be considered on bylaws; and
4. Authorize the City's voting delegate(s) to vote on the resolution to be considered at the CalCities annual conference.

FUTURE COUNCIL INITIATED AGENDA ITEMS

Note: in accordance with Government Code Section 54954.2(a), there shall be no discussion, debate and/or action taken on any request other than providing direction to staff to place the matter of business on a future agenda.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION (§ 54956.9)

Barker v. L&D Construction et al., Santa Clara County Superior Court Case No. 19CV342745

CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION (§ 54956.9)

Jurevich v. City of Morgan Hill, Workers' Compensation Claim No: MHL2000009

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

ADJOURNMENT

NOTICE

Any documents produced by the City and distributed to the majority of the City Council less than 72 hours prior to an open meeting, will be made available for public inspection at the City Clerk's 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 City Council 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 Council 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 Council, but it is very helpful. When you are called, proceed to the podium and the Mayor will recognize you. If you wish to address the City Council 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 City Council.

Persons interested in proposing an item for the City Council agenda should contact a member of the City Council who may plan an item on the agenda for a future City Council meeting. Should your comments require Council action, your request may be placed on the next appropriate agenda. Council 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 City Council at, or prior to the Public Hearing on these matters.

The time within which judicial review must be sought of the action by the City Council, 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 City Council Policies and Procedures CP 97-01, please contact the City Clerk's office (408) 779-7259, (408) 779-3117 (fax) or by email cityclerk@morganhill.ca.gov.

AMERICANS WITH DISABILITIES ACT (ADA)

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

SUSTAINABLE MORGAN HILL



Vision

To sustain a safe, inclusive, socially responsible, environmentally conscious, and economically sound community.



Choose Morgan Hill

The City of Morgan Hill is the best community for people to live, work, visit, and operate their businesses.



City Council Ongoing Priorities

- Enhancing Public Safety
- Protecting the Environment and Preserving Open Space and Agricultural Land
- Maintaining and Enhancing Infrastructure
- Supporting our Youth, Seniors, and Entire Community
- Fostering a Positive Organizational Culture
- Preserving and Cultivating Public Trust
- Preserving our Community History
- Enhancing Diversity and Inclusiveness
- Advancing Regional Initiatives



2022-2023 Strategic Priorities

- Fiscal Sustainability
- Affordable Housing and Homelessness
- Community Outreach, Engagement, and Messaging
- Economic Development
- Transportation



These strategic priorities were established prior to the COVID-19 pandemic. In light of recent events, we recognize that all of these goals and priorities will be viewed through the lens of the global pandemic, and we will continue to have equity, public health, and financial responsibility in mind.

August 17, 2022

8



CITY COUNCIL STAFF REPORT

MEETING DATE: August 17, 2022

PREPARED BY:

Christina Turner, City Manager

APPROVED BY: City Manager

CITY COUNCIL MID-YEAR GOAL REVIEW WORKSHOP

1. Review and discuss:
 - a. 2022-2023 Sustainable Morgan Hill, including Vision, Ongoing Priorities, and Strategic Priorities and
 - b. 2022-2023 Strategic Priorities Work Plan
2. Determine whether to have Future Agenda Items on the following*:
 - a. Term limits for Commissioners, Council Members, and the Mayor
 - b. Methods on how to increase diversity on Commissions
 - c. Alignment, civility, and behavior of City Council Members
 - d. Process to monitor outside committee assignments to identify when an alternate is needed and to share how City Council Members voted at those committees.
 - e. Council Member reimbursements for dependent care costs during Council meetings
 - f. Policy for deadlines for submittal of agenda item supplements and a policy limiting the number of times a Council meeting can be extended.
 - g. Review of City Council budget, including establishing policy on how City Council Member attendance at conferences is funded.
3. Review and discuss City Council Follow-up/Future Council Initiated Agenda Items.

The above items were brought forward by City Council Members during the *Future Council Initiated Agenda Items* section of City Council meetings. At the Mid-Year Goal Setting, the City Council will be asked whether they want the items to be considered at a future meeting. If a majority of City Council Members want the items to be considered, they will be added to future agendas. See the attachment for *City Council Follow-up/Future Council Initiated Agenda Items* that will be brought forward as part of Staff's Work Plan.

SUSTAINABLE MORGAN HILL



Vision

To sustain a safe, inclusive, socially responsible, environmentally conscious, and economically sound community.



Choose Morgan Hill

The City of Morgan Hill is the best community for people to live, work, visit, and operate their businesses.



City Council Ongoing Priorities

- Enhancing Public Safety
- Protecting the Environment and Preserving Open Space and Agricultural Land
- Maintaining and Enhancing Infrastructure
- Supporting our Youth, Seniors, and Entire Community
- Fostering a Positive Organizational Culture
- Preserving and Cultivating Public Trust
- Preserving our Community History
- Enhancing Diversity and Inclusiveness
- Advancing Regional Initiatives



2022-2023 Strategic Priorities

- Fiscal Sustainability
- Affordable Housing and Homelessness
- Community Outreach, Engagement, and Messaging
- Economic Development
- Transportation



These strategic priorities were established prior to the COVID-19 pandemic. In light of recent events, we recognize that all of these goals and priorities will be viewed through the lens of the global pandemic, and we will continue to have equity, public health, and financial responsibility in mind.



STRATEGIC PRIORITIES

Fiscal Sustainability

The City will continue to be financial stewards of its resources and assets to ensure long-term fiscal sustainability. Through the upcoming biennial budget development process, the City, within the fiscal sustainability path, will prudently carry out the City Council's priorities, while maintaining adequate fund balance reserves. The City will continue to explore new or expand existing revenue sources to address the City's unfunded needs and liabilities.



Continue community conversations about services, funding, and priorities



Employ a sustainable budget strategy



Prudently enhance Public Safety services, including staffing the third fire station and additional police officers and equipment, as well as maintain and enhance the City's infrastructure

Affordable Housing and Homelessness

Morgan Hill will continue to improve, preserve, and develop safe, quality, rental and ownership housing for residents at all income levels. To the extent possible, the City will respond to and reconcile new housing initiatives and legislative mandates. The City will explore opportunities to respond to changes that are beneficial to the community as well as compliant with the law.

The City of Morgan Hill will collaborate with Santa Clara County and the City of Gilroy to continue to build a South County unhoused response system that integrates County Safety Net Services and provides rapid response to people in need. The City will continue to employ a balanced approach, offering resources and referrals to services, partnering with the faith-based community and non-profits to create appropriate local service points, while also utilizing code compliance to protect private and public property.

- Develop and implement a local unhoused strategy to serve Morgan Hill's unhoused resident population
- Engage the community to participate in the Housing Element Update of the General Plan to respond to new production mandates
- Seek out partnerships with non-profit housing developers to create new housing opportunities directly aligned with the City's "fair share" Regional Housing Needs Allocation (RHNA)
- Engage the community in decisions about how to accommodate new housing and continue to update design criteria which guide quality development
- Work with the non-profit owners of affordable units to rehabilitate and extend the life of vital housing supplies
- Continue to respond to the new and proposed housing legislative and policy matters to the benefit of the community

STRATEGIC PRIORITIES

Community Outreach, Engagement, and Messaging

The City's Communications, Outreach, and Engagement Plan defines the messages, priorities, strategies and tools the City will use when communicating with the community. Through the Plan, the City will tell the Morgan Hill story and work to build trust with the community and ensure that we provide effective engagement. Through effective application of communication strategies, the Plan will ensure that all City Council Members, Commissioners, and teammates have the tools to provide accurate, timely, and relevant information to the community. The Plan aligns communication resources with the goals to set clear communications expectations for the community, ensuring that the City can continue providing excellent services that reflect the strength of the City's outreach initiatives while supporting the implementation of the City Council's strategic priorities.



Encourage community engagement through audience-appropriate two-way communication, and ensure opportunities for constructive feedback



Share accurate, non-biased information promptly through a variety of communication channels



Work directly with the Council, staff, and community partners to ensure communication and outreach efforts, objectives, and outcomes align with the strategic priorities and promote community understanding



Keep City teammates informed and involved in public dialogue to aid in telling the Morgan Hill story

Economic Development

The City's Economic Development efforts will focus on implementing the Economic Blueprint strategies and actions in the areas of healthcare, innovation, retail, and tourism, to help build long-term fiscal sustainability and improve quality of life for residents. This will be achieved by attracting jobs and commercial investments, which generate revenues to support general City services, improve access to fast and reliable wireless connectivity, and increase telecommunications infrastructure.



- Complete an Industrial Land Preservation Policy
- Implement Downtown projects and programs that support outdoor living, including updating the Parklet Program, managing the Al Fresco Program, managing and improving parking supply, and launching a Property Based Improvement District
- Implement an Economic Development Outreach and Education/Awareness Campaign focused on attracting advanced manufacturing, office, innovation, and medical users
- Manage incentive programs such as the Auto Dealer Incentive Policy and the Fee Freeze Program to attract investment that brings jobs and revenue to the community

STRATEGIC PRIORITIES

Transportation

The City has clearly identified traffic and transportation issues facing Morgan Hill as regional in nature. Morgan Hill will continue to partner with the City of Gilroy to advocate for improvements and funding for the South Santa Clara County Transportation Corridor. The City will actively advocate on regional transportation planning issues. Locally, the City will prioritize funding for Vision Zero safety strategies over congestion management. The City will take actions to implement its goal to create a culture that prioritizes safety, creates livable streets, and seeks to eliminate traffic fatalities. Safety of pedestrians, bicyclists, drivers, and passengers is paramount.

- Complete construction of Hale Avenue Extension
- Advocacy will include:
 - Working with the Valley Transportation Authority (VTA), Caltrain, the County, the High-Speed Rail Authority (HSRA), and the State to enhance service, secure funding for transportation projects and road maintenance, and protect the community from negative impacts of regional projects
 - Expansion of Highway 101 between Morgan Hill and Gilroy to reduce pass-through traffic and improve commute traffic for South County residents
 - Electrification of commuter rail from San Francisco to Gilroy
 - Funding for priority projects in the South County
- Advocate for grade separations and the design of a Downtown station and emergency response design solutions for the HSRA project
- Advocate for paratransit and transportation for older adults



morganhill.ca.gov

Strategic Priorities 2022-2023							COVID Workplan Item				
#	Activity Goals		Fiscal Sustainability	Affordable Housing & Homelessness	Community Engagement & Messaging	Economic Development	Transportation	COVID			
City Manager									Status	% Complete for In Process Activities	Estimated Completion By
1	Closely monitor the economic recovery and financial impacts associated with the ongoing COVID-19 pandemic and update the City Council and the Community monthly	x		x	x			x	Ongoing		
2	Ensure Departments maintain focus on cost containment and continue to actively pursue County, State, and Federal funding	x						x	Ongoing		
3	Advocate with regional partners for the clearly identified traffic and transportation issues, including the High-Speed Rail, Hale Avenue extension, expansion of Highway 101, electrification of commuter rail, and funding for priority projects in South Santa Clara County	x					x		Ongoing		
4	Represent the City’s interests by regularly meeting with County of Santa Clara, MHUSD, Santa Clara Valley Transportation Agency (VTA), Chamber of Commerce, Emergency Operational Area Council, Gilroy, and South County Regional Wastewater Authority (SCRWA), and Cal Cities	x	x		x	x			Ongoing		
5	Work with the City departments to implement a work plan for Diversity, Equity, and Inclusion		x	x	x	x			Ongoing		
Communications and Engagement											
6	Continue outreach and bilingual communication		x	x					Ongoing		
7	Implement the Communications, Outreach, and Engagement Plan		x	x					Ongoing		
8	Implement Morgan Hill Together through listening tours throughout the community with the City Manager and Leadership team; a series of surveys, an annual community event focusing on bringing community together and celebrating diversity; and a community education campaign around City, County, and regional services			x					Commencing Soon		Spring 2023
9	Perform Website refresh			x					Commencing Soon		Summer 2023
10	Develop and implement a customer service training program for teammates			x					Commencing Soon		Summer 2023
City Attorney											
11	Communicate with Council and the community regarding changes to the Housing Accountability Act and advocate for measures to mitigate potential impacts		x	x					Ongoing		
Human Resources											
12	Negotiate fiscally responsible labor agreements with the City's three bargaining groups, for contracts expiring in December 2023	x							Commencing Soon		December 2023
Council Services and Records Management											
13	Implement hybrid City Council and Planning Commission meetings			x				x	In Process	75%	Summer 2022
Finance/Budget/Utility Billing											
14	Explore new or expand existing tax revenue sources to address City's unfunded needs and economic impacts due to COVID-19	x			x			x	Ongoing		
15	Implement new Enterprise Resource Planning System to replace the outdated system			x					In Process	Kick off completed.	December 2024
16	Review and adjust certain impact fees to ensure the long-term sustainability of the City's critical infrastructures	x							Ongoing		
Public Services											
17	Support ongoing coordination with Visit Morgan Hill, MHOSC, the operator of the Outdoor Sports Center, and the team at the Aquatics Center to host regional sports events, while minimizing impact to the community	x		x	x				Ongoing		

Strategic Priorities 2022-2023								COVID Workplan Item				
#	Activity Goals			Fiscal Sustainability	Affordable Housing & Homelessness	Community Engagement & Messaging	Economic Development	Transportation	COVID			
18	Create and manage a volunteer program for the Magical Bridge Playground in Community Park				X					Ongoing		
19	Explore alternative options for management of the City's open space	X								In Process	75%	Winter 2023
20	Continue to monitor and adjust water restrictions to meet local and state water conservation efforts				X					Ongoing		
21	Implement Climate Action Plan				X					Ongoing		
22	Establish new solid waste management franchise agreement for Gilroy and Morgan Hill	X								In Process	75%	Summer 2022
23	Continue to implement the new and significant organic waste management regulations adopted by the State under SB 1383				X					Ongoing		
24	Continue participation with Valley Water and the City of Gilroy in working towards recycled water opportunities for the City of Morgan Hill				X					Ongoing		
25	Develop the City's first Transportation Master Plan in coordination with the update to the City's General Plan Transportation Element							X		Commencing Soon		Fall 2023
26	Complete the Hale Avenue Extension Project							X		In Process	50%	Summer 2023
27	Initiate on-demand last mile transit service for the Morgan Hill Community							X		In Process	75%	Fall 2022
28	Collaborate with City of Gilroy and elected officials on advocacy for the South County Transportation Corridor; VTA, Caltrain, Highway 101 expansion, and electrification of commuter rail							X		Ongoing		
29	Update Street and Sidewalk Development Code	X								Commencing Soon		Spring 2023
Fire												
30	Plan for the addition of a third fire station	X			X	X				In Progress	25%	Fall 2024
31	Negotiate Cooperative Agreement for Fire Protection with CAL FIRE	X								Commencing Soon		Spring 2023
Police and Information Technology												
32	Strengthen partnerships with County and faith-based organizations to apply best practices for the unhoused population			X						Ongoing		
33	Address quality of life issues in partnership with the City's Housing Department			X						Ongoing		
34	Present at least two Parent Project classes per year in English and Spanish in partnership with the Office of the District Attorney and/or Morgan Hill Unified School District				X					Ongoing		
35	Host Community Police Academy in Spanish				X					Commencing Soon		
36	Enhance Listos Program including recruitment of Listos Program Instructor, organize and deliver Spanish language community training				X					Ongoing		
37	Create criteria, train, and implement CERT Neighborhood Teams				X					In Process	25%	Spring 2023
38	Continue to use social media to inform and educate the community of police activity and public safety announcements				X					Ongoing		
39	Re-implement the following Community Programs that were suspended because of COVID-19: Community Police Academy, Police Explorer Program, Parent Project, Crime Prevention meetings, Volunteers in Policing, and Cadet Program					X				In Process	25%	Summer 2023

Strategic Priorities 2022-2023							COVID Workplan Item		
#	Activity Goals		Fiscal Sustainability	Affordable Housing & Homelessness	Community Engagement & Messaging	Economic Development	Transportation	COVID	
40	Implement IT processes that enhance productivity and increase efficiencies such as helpdesk system, disaster recovery plan, remote assistance tools, and mobile device management system	X							
41	Implement a highly available and manageable network architecture to achieve sustainability, reduced complexity, regulatory compliance, security, and resiliency	X							
42	Complete management and installation of WAVE broadband connectivity to all City buildings	X		X					
Development Services									
43	Create and implement Citywide Outdoor Dining Manual	X		X	X		X		
44	Re-establish a PBID in Downtown	X			X				
45	Manage Auto Dealer and Fee Freeze Programs to attract new investment	X			X				
46	Create Hotel Development Incentive strategy and policy	X	X		X				
47	Implement Economic Development Outreach Campaign to attract new advanced manufacturing, office, innovation, and medical users	X			X				
48	Create Retail Concentration Strategy	X			X				
49	Update Housing Element for 2023-2031 and respond to RHNA Goals		X	X					
50	Update Circulation, Infrastructure and Safety Element			X		X			
51	Prepare Environmental Justice Element			X					
52	Prepare LOS-VMT Model and policy guide					X			
53	Continue various housing and homelessness initiatives: implementation of the Housing Element, Safe Park Program, Inclement Weather Shelter Program, and Case Management		X						
Status									
				% Complete for In Process Activities		Estimated Completion By			
Ongoing									
In Process						Phase 1 = June 2023			
In Process		50%				January 2023			
In Process		75%				Winter 2022			
In Process		25%				Winter 2022			
Ongoing									
In Process		75%				Fall 2022			
Ongoing									
In Process		50%				Spring 2023			
In Process		50%				Spring 2023			
Commencing Soon						Summer 2023			
Commencing Soon						Spring 2023			
In Process		50%				Spring 2023			
Ongoing									

City Council Follow-up/Future Business Items

TBD = City Council to determine at Goal Setting if future agenda item

<u>August 3, 2022</u>		
<u>Future Business Items</u>		<u>Teammate</u>
	Council Member Spring requested an update on Mushroom Mardi Gras Festival	Ghione Fall 2022
	Council Member Spring requested Council discuss term limits for Commissioners, Council Members, and the Mayor	TBD
	Council Member Spring asked how can we increase diversity on commissions	TBD
	Council Member Martinez Beltran requested a session to discuss standards for safety regarding crosswalks, stop signs, etc.	Ghione Winter 2023
	Council Member Martinez Beltran would like to have community discussion prior to Council reconsideration of parklets and parking	Ramirez/Mahood
	Council Member Martinez Beltran requested a requested a more detailed workshop agenda	Turner/Bigelow Mid Year Goal Setting
<u>June 15, 2022</u>		
<u>Future Business Items</u>		<u>Teammate</u>
	Council Member McKay requested a speed study to reduce the speed limit through Downtown to 15 MPH	Ghione Winter 2023
	Mayor Pro Tem Borgioli requested wordsmithing of Vision Zero	Ghione Winter 2023
	Council Member Martinez Beltran requested a workshop on civility and behavior	TBD
<u>June 1, 2022</u>		
<u>Future Business Items</u>		<u>Teammate</u>
	Mayor Pro Tem Borgioli would like a stronger discussion about school safety at Morgan Hill schools	Palsgrove Memo August 2022
	Council Member McKay would like a BBQ for City teammates.	Horta Fall 2022
<u>May 4, 2022</u>		
<u>Future Business Items</u>		<u>Teammate</u>
	Council Member Spring requested clarification on the Community Funding policy in regard to cultural diversity	Martin/Ghione November 2022
<u>April 20, 2022</u>		
<u>Future Business Items</u>		<u>Teammate</u>
	Council Member McKay asked for a way to monitor outside committee assignments to identify when an alternate is needed and to share how we voted at those committees	TBD
	Council Member Martinez Beltran requested a discussion regarding Council Member reimbursement for dependent costs during meetings	TBD

<u>April 6, 2022</u>		
<u>Future Business Items</u>	<u>Teammate</u>	
	Council Member Martinez Beltran asked to see the Monterey Road Specific Plan come to Council to discuss funding	Carman Spring 2023
<u>March 16, 2022</u>		
<u>Future Business Items</u>	<u>Teammate</u>	
	Council Member Martinez Beltran requested that the commercial workplan be moved up and requested staff identify which commercial sites can be identified for industrial use	Mahood Spring 2023
<u>March 2, 2022</u>		
<u>Future Business Items</u>	<u>Teammate</u>	
	Council Member Martinez Beltran requested team building event	Turner/Horta Fall 2022
<u>February 16, 2022</u>		
<u>Follow up items</u>	<u>Teammate</u>	
9. Villa Ciolino Repairs	Spring requested an update once the work is complete	Garcia Fall 2022
<u>Future Business Items</u>	<u>Teammate</u>	
	Borgioli requested a noise ordinance for Downtown	Larkin Fall 2023
<u>January 19, 2022</u>		
<u>Future Business Items</u>	<u>Teammate</u>	
	McKay requested that staff return to Council to discuss the community parklet	Mahood Fall 2022
<u>December 15, 2021</u>		
<u>Future Business Items</u>	<u>Teammate</u>	
	Borgioli suggested that we talk about a supplemental documentation submission deadline and a discussion around a policy limiting the number of times a meeting can be extended	TBD
<u>December 1, 2021</u>		
<u>Future Business Items</u>	<u>Teammate</u>	
	IHO follow-up, including middle income housing opportunities and IHO implementation	Ramirez Memo September 2022
	McKay asked that staff bring back a discussion about how we use the Council's budget	TBD
<u>November 17, 2021</u>		
<u>Future Business Items</u>	<u>Teammate</u>	
	McKay- Asked for information on how City Council Conferences are funded	TBD
<u>October 20, 2021</u>		
<u>Future Business Items</u>	<u>Teammate</u>	
	McKay- Look into what it would take to complete the bicycle trails network in the short term	Ghione Winter 2023
<u>October 6, 2021</u>		
<u>Future Business Items</u>	<u>Teammate</u>	
	McKay- elevate discussion around how we complete bicycle path connections	Ghione Winter 2023

<u>May 19, 2021</u>		
<u>Future Business Items</u>		<u>Teammate</u>
	Borgioli requested that we ask one or both of the senators for SB 330, SB35, and SB 9 attend a town hall to answer questions and provide information to our community	Ramirez Legislative Roundtable Spring 2023
<u>April 21, 2021</u>		
<u>Future Business Items</u>		<u>Teammate</u>
	McKay asked for a review of landscaping requirements on developments along freeways and major arteries to include more trees	Carman Summer 2023
<u>Future Business Items</u>		<u>Teammate</u>
	Spring requested a conversation on Downtown parking (paused until end of COVID)	Ramirez Memo 2022
<u>October 23, 2019</u>		
<u>Future Business Items</u>		<u>Teammate</u>
	Spring asked for a conversation about how our City will look in the future as a "Smart City"	Ramirez/Ghione Summer 2023
<u>October 2, 2019</u>		
<u>Follow up items</u>		<u>Teammate</u>
5. Depot-Latala	Follow up on CCC Parking Enforcement (will coordinate with Lumber Yard Development Project)	Ghione Memo Spring 2023
<u>March 6, 2019</u>		
<u>Follow up items</u>		<u>Teammate</u>
5. Downtown Special Events Update	Bring this item back to Council as the residential projects on 3rd street near completion (paused until COVID ends and events resume)	Martin Fall 2022

CITY COUNCIL STAFF REPORT

MEETING DATE: August 17, 2022

PREPARED BY:

Kim Mancera, Deputy City Clerk

APPROVED BY: City Manager

APPROVE PHASE 2 RECORDS RETENTION SCHEDULE UPDATE

RECOMMENDATION(S)

Approve changes to the City's Records Retention Schedule.

Estimated Time:

COUNCIL PRIORITIES, GOALS & STRATEGIES

REPORT NARRATIVE:

The City's Records Retention Schedule was last updated in 2018. Staff has updated the schedule to reflect changes to current processes and ensure that retention periods are consistent with current state law. The Records Retention Schedule serves several important purposes:

- Provides a comprehensive list of all records retained by the City
- Controls how long records must be retained and provides authority for destruction of records which are no longer required
- Designates which City departments are responsible for retention of specific records
- Lists the legal authority for the retention periods

The City Clerk's Office has worked extensively with the City Attorney's office as well as other departments in the City over the past two years to accomplish a comprehensive update to their sections of the schedule. The updates ensure that the schedule complies with all applicable legal, fiscal, administrative, and historical requirements.

COMMUNITY ENGAGEMENT:

Inform.

This report serves to inform the community of the recommendation to update the City's Records Retention Schedule.

ALTERNATIVE ACTIONS:

Not Applicable

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City's Records Retention Schedule was first adopted in January 1996. It has been revised numerous times since then, most recently in 2018.

FISCAL AND RESOURCE IMPACT:

The time and cost associated with the Records Retention Schedule Update have been accommodated for in the City Clerk and City Attorney budgets and workplans.

CEQA (California Environmental Quality Act):

Not a Project.

The update of the records retention schedule is an administrative activity and is not a project, as defined in Section 15378 of the State CEQA guidelines.

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Citywide - Lead Department						
001	Citywide	Audits - Internal, External and Administration Records and information related to internal, external and regulatory audits and administration of associated auditing activities, including reviewing and documenting operational, compliance, or financial information created as a part of an audit.	Annual Audit Reports Audit Files, Plans Audit Schedules Audit Workpapers Auditors Reports Biennial Reviews Flood Insurance Rate Credit Audits General Purpose Financial Audits, Single Audits Management Responses Petty Cash Audits Responses Results Workpapers		6Y	CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) US - 26 USC 6531 - (LA6Y)
002	Citywide (Except PD)	Complaints, Requests for Service, Incident Reports and Daily Work Reports Documentation of general citizen complaints, requests for service and reports of work performed in response to those complaints and requests. Records and information associated with department responses to fires and emergency incidents, including medical emergencies. NOTE: This category does not pertain to incident reports that become part of a Police case file.	Actions Taken Daily Work Reports Issues Log Service Requests Trouble Reports Work Orders and Work Sheets Emergency Services False Alarm Reports Hazardous Waste Spills Incident Reports Investigation Reports Mandated Reporting: Child Abuse, Elder Abuse Potholes Sewer Overflow Suspicious Activity Reports (SARs) Traffic Accidents Tree Down		2Y	CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y)
005	Citywide	Fleet Management Records related to the management and maintenance of City vehicles, including automobiles, trucks, and forklifts.	Accident / Incident Reports Complaints, Service Requests Fire Trucks (NOTE: CalFire maintains these records on behalf of the City) Maintenance and Repair Work Orders Maintenance Reports (<i>buildings, equipment, streets, sidewalks</i>) Vehicles / Fleet (<i>automobiles, trucks, forklifts</i>)		Life*+4Y	CA - CCP 337 - (LA4Y) CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) * Life of Asset
007	Citywide	Fuel Management Records related to the purchase, tracking and management of fuel for City vehicles.	California Air Resources Board Certificate Fuel Card Authorizations Fuel Reports, Billing Reports, Journals, Fuel Tickets Natural Gas Pump, Natural Gas Tank Maintenance Underground Fuel Storage Tanks		2Y	CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) CA - HSC 25285 - (5Y) CA - HSC 25292 - (1Y) CA - HSC 25293 - (MAINT)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Citywide - Lead Department						
008	Citywide	General Administration General internal administrative records of City departments, including: - Documentation of department activities - Routine reports generated by the City - Information captured on a log or a list - Routine correspondence, memos, notes and emails that do not pertain to another category - If not attached to agreement or project file - Department projects, including unsuccessful project documentation	Budget Workpapers Bid Documents City Generated Routine Studies / Reports (<i>e.g., rate studies, vacant land inventory studies</i>) Department Administrative Documents (<i>calendars, committees, goals, objectives, meeting agendas, meeting minutes, meeting tapes/recording, plans</i>) Employee Communication Letters (<i>announcements, new programs, notices</i>) In-House Committees / Employee Committees Logs (<i>bid openings, booking number, case number, daily DR#, subpoenas received</i>) Office Files, Office Manager Files Organization Charts Reports - Lift Station/Well, maintenance, studies Supplies Management Surveys and Questionnaires Zoning Confirmation Letters		While Active+2Y	CA - GOV 34090 - (2Y)
004-04	Citywide	Legislative Affairs Records of all action taken by City legislative bodies during public and closed session meeting, including: - City Council - Library, Culture and Arts Commission - Oversight Board - Parks and Recreation Commission - Planning Commission - Youth Action Council - Redevelopment Agency - Financing Authority	Agendas Agenda Packets (<i>includes staff reports</i>) Agenda Summary Reports Appeals Audio and video recordings of meetings Bylaws City Codes City-wide Plans/Programs Adopted Commendations Formation Documents Legislative Packets Hillside Ordinance Meeting Minutes Municipal Code Opinions on Pending Legislation Ordinances Petitions to Council Policy Resolutions Resolutions Summary of Actions, Statement of Actions (SOAs) Supplemental Communications		Permanent	CA - CCP 315 - (LA10Y) CA - CCP 321 - (LA5Y) CA - CCP 336 - (LA5Y) CA - CCP 336a - (LA6Y) CA - CCP 337 - (LA4Y) CA - CCP 337.5 - (LA10Y) CA - GOV 34090(e) - (PR)
009	Citywide	Operational Maps Informal maps and geographical information pertaining to City operations and constituent services.	Road Closures Sewer TV Surveys Street Sweeping Tree Trimming Trash Pick-up		While Active+2Y	CA - GOV 34090 - (2Y)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Citywide - Lead Department						
003-00	Citywide	Outreach, Media and Public Relations Records and information regarding internal and external-facing communications, advertising and press relations materials, including documentation of outreach activities/events held in cooperation or for the benefit of City staff and for the local community.	Brochures, Flyers City Hall Display Sign-up Sheets Correspondence Events (<i>sign-in sheets</i>) FAQs Flyers Health Fairs Mailers Media Interactions PowerPoint Presentations for Council Members Press Releases Public / Media Inquiries Public Information / Outreach / Education Publications Produced by the City (<i>newsletter, visitors guide</i>) Publicity Files Social Media Documentation Speeches Videos Waivers of Liability Website		4Y	CA - CCP 337 - (LA4Y) CA - GOV 34090 - (2Y)
010	Citywide	Permits Issued Documentation of permits issued by the City, other than building permits.	Applications Field Use Permits Fire Hydrant Permits Live Entertainment Permits Parade Permits Political Sign Registration Sign/Banner Permits Special Events (on City, public or private property) Street Permits Sub-contractor List Temporary Open Air Activities Permits Tent Permits Temporary Use Permits Transportation Permits (<i>oversize, overweight, wide load</i>) Tree Removal Permits		While Active+4Y	CA - CCP 337 - (LA4Y) CA - GOV 34090 - (2Y)

ACRONYMS USED IN LEGAL CITATIONS
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset)
M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year

Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Citywide - Lead Department						
011	Citywide	Policies and Procedures All administrative documentation of City policies and procedures.	Administrative Policies and Procedures City Council Policies and Procedures Department Policies and Procedures Directives Lexipol Policies & Procedures (PD) General Orders Guidelines Handbooks Personnel Rules & Regulations Policies Procedure Manuals Procedures Program / Initiative Plans SOPs Standards		While Active+6Y	CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) US - 45 CFR 164.530(j) - (CU+6Y)
012	Citywide	Procurement - Agreements and Contracts <u>Not</u> Awarded Records and information created or retained in the preparation of purchasing or acquisition of goods and services, but where the purchase order, contract, or agreement was not awarded.	Bids, Awards (<i>unaccepted, rejected</i>) Exhibits Price Lists Quotations Requisitions Requests for Information (<i>RFI</i>) Requests for Proposal (<i>RFP</i>) Requests for Quote (<i>RFQ</i>) Scorecards Specifications		2Y	CA - GOV 34090 - (2Y)
013	Citywide	Procurement - Purchasing and Requisitioning Records and information created or retained in the purchasing or acquisition of goods and services. Documentation that includes the terms and conditions under which vendors will provide goods or services.	Bids, Awards Bonds Change Orders Evaluation Sheets Exhibits Notices of Intent (<i>to award, to bid</i>) Price Lists Proof of Insurance Certificates Proposals Purchase Orders Quotations Receiving Reports Requisitions Requests for Proposal (<i>RFP</i>) Requests for Qualifications (<i>RFQ</i>) Specifications		4Y	CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) CA - CCP 337 - (4Y) US - 29 CFR 516.5 - (3Y)
107-04	Citywide	Public Information Requests Records requested by the public, required for provision to the public, and related inquiries.	Collection Lists Formal Public Records Requests Inquiries Maddy Act Lists Subpoenas for records and/or testimony (cases in which City is not a party)		2Y	CA - GOV 34090 - (2Y)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Citywide - Lead Department						
014	Citywide	Public Notices Records documenting compliance with laws requiring public notice of government activities. Subjects include assessments, elections, land use changes, public meetings and hearings, sale of property, and others.	Affidavits of Mailing Affidavits of Posting Affidavits of Publication/Legal Notices Public Hearing Notices Public Meeting Notices		4Y	CA - CCP 343 - (LA4Y) CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y)
015	Citywide	Records, Information Management Documentation of the compliance with Records and Information Management policy and procedures.	Certificates of Destruction Document Hold Notices, Updates Inactive Records Storage Information (<i>inventories, transmittals</i>) Records Transfers (<i>to storage, to other depts.</i>)		10Y	CA - CCP 315 - (LA10Y) CA - CCP 337 - (LA4Y) CA - CCP 337.15 - (LA10Y) CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) US - 26 CFR 31.6001-1 - (CU+4Y) US - 26 CFR 301.6501 - (CU+3Y) US - 26 USC 6531 - (LA6Y)
016	Citywide	Records, Retention and Storage Logs Documentation of the compliance with Records and Information Management policy and procedures.	Certificates of Destruction Lists of Stored / Destroyed Records Records Destruction Logs Records Storage Logs Records Retention Logs		Permanent	CA - GOV 34090 et. Seq.
017	Citywide	Speaker Cards Cards submitted by public attendees at City Council and Commission sessions who wish to speak during the session.	Speaker Cards		6M	
018	Citywide	Training Records - City Staff and Officials, Materials, Courses, Scheduling Documentation regarding the content of courses and schedules for training offered to employees, officials and volunteers. All documents related to general and specialized technical education and training taken by officials, paid employees and unpaid volunteers, including: - Ethics - Fire Extinguisher - First Aid/CPR - Privacy - Safety - Specialized Equipment - Child Protective Services & Boundaries	Attendance Lists Briefing/Unit Training Certification Records Compliance Training Individual Education, Development Employee Development Presentation Materials PowerPoint Slide Decks Rosters Sign-in Sheets Testing/Qualifications Training Bulletins		7Y	CA - 8 CCR 3203 - (CU+1Y) CA - GOV 34090 - (2Y) CA - GOV 53235.2b - (5Y) CA - GOV 12946 - (2Y) US - 29 CFR 1602.14 - (FR+1Y) US - 45 CFR 164.530 (j) - (CU+6Y)
019	Citywide	Unapproved Applications	Encroachment/Building/Planning		2Y	GC34090(a)
020	Citywide	Vendor, Supplier Files Records and information of suppliers and vendors to all City organizations created or retained in the purchasing or acquisition of goods and services.	Contractors - Vendor List Vendor Packets Vendor Applications, Profiles		2Y	CA - GOV 34090 - (2Y)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Building						
021	Building Fire Prevention	Building Plans, Building Permits, Appeals and Decisions Records and information documenting the building services provided by the City regulating commercial and residential property and developments, including: - Electrical - Mechanical - Plumbing - Solar - Grading -Occupancy Seismic			Permanent	CA - CBC 107.5 - (180D) CA - CCP 337.1 - (LA4Y) CA - CCP 337.15 - (LA10Y) CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) CA - HSC 19850 - (LI)
022	Building	Code Books	Building Uniform Housing Plumbing Administration Mechanical Abatement of Dangerous Buildings Analysis of Revisions		Permanent	CA - GOV 34090€
023	Building Community Services Fire	Code Compliance and Enforcement Records and information documenting compliance with City codes, including such issues as: - Vehicle related, e.g., abandoned, commercial, RV storage - Right of way obstructions - Weed abatement - Yard/garage sales - Trash - Residential lighting - Street, mobile vending - Signs and banners - Vacant/Abandoned buildings - Property maintenance	Certificates of Nuisance and Abatement Citations Complaint Forms Compliance with Conditions of Approval Inspections / Enforcement (<i>business, residential</i>) Investigations Notices of Noncompliance Notices of Violation Photographs		2Y	CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) CA - PEN 802 - (2Y) CA - Law Enforcement Evidence and Property Management Guide NOTE: Records for repeat offenders may be retained longer to document a history of violations

ACRONYMS USED IN LEGAL CITATIONS
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset)
M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year

Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Building						
024	Building Engineering and Utilities Housing Planning	Property, Infrastructure Maps, Plans and Drawings Final maps, plans and drawings pertaining to City properties and infrastructure. - Maps address, tract, GIS	Aerial Photos Assessor Parcel Maps Annexations - Water/Sewer Systems Building Site Determination Drainage Flood Elevation Certificates Functional Classification Maps Improvement Plans, Drawings Lot Line Adjustments Lot Numbers Master Maps (<i>CIP, historic, drainage</i>) Subdivisions (<i>major, minor</i>) Mylars Parcel Mergers Parcels, Plats Rights of Way Signal Plans Signing and Striping Plans Sphere of Influence Street Address Files Streetlights Surveying Tracts Traffic Signal Plans, Interconnect Plans Water and Wastewater Systems		Permanent	CA - CCP 337.15 - (LA10Y) CA - GOV 34090(a) - (PR) CA - HSC 19850 - (LI)
025	Building Human Resources	Regulatory Reporting Official non-financial reports issued by City organizations to comply with regulatory requirements.	Census Reports (C-404) ACA EEOC Reports Labor Reports Month-End Reports OSHA 300 Reports Strong Motion Instrumentation Program (SMIP) Reports		5Y	CA - GOV 34090 - (2Y) US - 29 CFR 405.9 - (5Y) US - 29 CFR 1602.14 - (FR+1Y) US - 29 CFR 1602.30 - (3Y)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
City Attorney						
026	City Attorney	Internal Legal Advice and Opinions Memoranda containing legal advice prepared by the City Attorney's for City departments. (NOTE: Legal advice and opinions associated with specific projects will be retained with the project file.)	Memos Opinions		2Y	CA - GOV 34090 - (2Y)
108-03	City Attorney	Litigation and Third Party Claims Records generated for or related to any case or action before a judicial, arbitral, or administrative officer or body.	Complaints Court Orders Discovery Exhibits Judgments Pleadings Related Correspondence Releases Request for Dismissal Summons		Final Resolution+10Y	CA - 2 CCR 11013 - (FR+2Y) CA - 8 CCR 10102 - (5Y; CL+1Y) CA - 22 CCR 1085-2 - (CU+4Y) CA - CCP 315 - (LA10Y) CA - CCP 337.15 - (LA10Y) CA - GOV 34090 - (2Y) CA - LAB 5410 - (LA5Y) CA - RTC 19704 - (LA6Y) CA - UIC 1132 - (LA3Y) US - 26 CFR 31.6001 - (CU+4Y) US - 26 CFR 301.6501 - (3Y) US - 26 CFR 301.6532-1 - (LA2Y) US - 26 CFR 301.6532-2 - (LA5Y) US - 26 USC 6531 - (LA6Y) US - 26 USC 6532 - (LA2Y) US - 29 USC 255 - (LA2Y) US - 29 USC 626(d) - (LA300D) US - 42 USC 2000e-5(e) - (LA180D) US - 42 USC 2000e-5(f) - (LA180D)
027	City Attorney Community Services Engineering and Utilities Finance and Utility Billing	Risk Management - Claims By or Against the City Records detailing claims lodged by or against the City, other than for Workers Compensation.	Accident/Incident Reports Actuarial Reports Annual Audit of Open Claims Appraisals Claims By/Against the City Closing Letters Damage Estimate Reports Supporting Documentation Insurance Claims, Appraisals, Reports Investigations		Final Resolution+5Y	CA - CCP 337 - (LA4Y) CA - CCP 338.1 - (LA5Y) CA - GOV 34090 - (2Y)
028	City Attorney	Risk Management - Insurance Coverage Records detailing the City's general coverage against property damage and liability, including renewal submission information, insurance quotes, & broker correspondence. (NOTE: Third party proofs-of-insurance associated with facility rentals or City projects are retained with those rental or project files.)	Binding Information Binders Broker Correspondence Certificates of Insurance Completed Applications Flood Insurance Insurance Policies Insurance Quotes Insurance Submissions Liability Insurance Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA) Renewal Strategy		While Active+5Y	CA - 22 CCR 3267-2 - (MAINT) CA - CCP 337 - (LA5Y) CA - GOV 34090 - (2Y)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
City Clerk						
126-04	City Clerk	Agreements, Contracts and Leases - Construction, Improvements to Infrastructure, Real Property and Facilities Executed agreements and contracts for construction and/or improvements to or use of the City's infrastructure, of real property, and facilities.	Addendums and Amendments Affordable Housing/BMR/Inclusionary Housing Agreements Attachments / Exhibits Bonds Certificate of Insurance Change Orders Disclosures Letters of Intent Memoranda of Agreement (MOAs) Public Works Contract Right-of Entry Standard Consultant Agreement Services Agreement Services Agreement for Design Professionals Statements of Work (SOWs) Warranties Right of Entry Agreement s	Examples include: Lease Acquisitions Leasehold/Tenant Improvements Notice of Restriction Property Improvement Contracts Re-sale Agreements Water Agreements Water Supply Agreements	While Active+10Y	CA - CCP 315 - (LA10Y) CA - CCP 337.1 - (LA4Y) CA - CCP 337.15 - (LA10Y) CA - CCP 343 - (LA4Y) CA - GOV 34090(a) - (PR) US - 29 CFR 516.5 - (3Y) US - 40 CFR 122.21(p) - (3Y) US - 40 CFR 122.41(j) - (3Y)
128-04	City Clerk	Agreements, Contracts and Leases - Construction, Improvements to Infrastructure, Real Property and Facilities Executed agreements and contracts for goods and services (which includes all types of contracts and agreements, including franchise, purchase orders, or non-real property leases) and associated ancillary documents, between the City and other parties.	Addendums and Amendments Attachments / Exhibits Bonds Certificates of Insurance Contract Releases (<i>resale, refinance, option to purchase, restriction, assignment of option</i>) Disclosures Letters of Intent License Agreements, Licenses Licensing, Licenses (general) Maintenance Agreements Memoranda of Agreement (MOAs) Memoranda of Understanding (MOUs) - other than labor MOU's Standard Consultant Agreement Services Agreement Services Agreement for Design Professionals Rental Agreements (Equipment) Statements of Work (SOWs) Warranties	More Examples Include: Consultant Agreements Employment Agreements Franchise Agreements Hardware Maintenance Agreements Impact Fee Freeze Agreement Inter-Governmental Agreements Joint Powers Agreement Licensing / Software Agreements Limited Service Agreements Mutual Confidentiality/Non-Disclosure Agreements Mutual General Release Agreements Retainer/Engagement of Counsel Letters Sales Contracts Service Contracts Service Level Agreements (SLAs) Sewer and Traffic Financing Program Agreements Use of City Facilities Contracts	While Active+4Y	CA - CCP 337.1 - (LA4Y) CA - CCP 343 - (LA4Y) CA - GOV 34090 - (2Y) US - 29 CFR 516.5 - (3Y) US - 40 CFR 122.21(p) - (3Y) US - 40 CFR 122.41(j) - (3Y)

ACRONYMS USED IN LEGAL CITATIONS AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
City Clerk						
168-04	City Clerk	Real Property Documents (primarily recorded documents) & Settlement Agreements Records and information pertaining to those original key documents recorded on behalf of the City. Includes Below Market Rate (BMR) contract files. Records of final settlement agreements. Records and information related to the ownership, acquisition, disposition, transfer of, lease of, or improvement of real property, infrastructure and facilities including grant deeds, owned by or used by the City.	Abandonments Acquisitions Address Records Annexations Condemnations Conveyances Community Development Block Grant (CDBG) Property Acquisitions Deeds (Grant, Quitclaim) Deeds of Trust Deed Restrictions Development Agreements Dispositions Easements Eminent Domain Liens Lot Line Adjustments Notice of Pendency of Actions Possessory Interest Promissory Notes Property Transaction (DDA, DA, etc.) Quitclaims Reconveyances Resale Restrictions Rights-of-Way Vacations	Sales Subdivision Improvement Agreements (SIAs) Valuation Information Affordable Housing Agreements Below Market Rate Housing Agreements Housing Loan Agreements Inclusionary Housing Agreements Resale Restriction Agreements Subordination Agreements Releases (resale, refinance, option to purchase, restriction, assignment of option)	Permanent	CA - GOV 34090(a) - (PR) CA - CCP 337 - (LA4Y) CA - GOV 34090 - (2Y) CA - CCP 315 - (LA10Y) CA - CCP 337.1 - (LA4Y) CA - CCP 337.15 - (LA10Y) CA - GOV 945.6(a)(2) - (LA6M; LA2Y) US - 26 CFR 31.6001-1 - (CU+4Y)
140-04	City Clerk	Appointments to Boards, Commissions and Committees Staff records related to appointments made by authorized elected officials to councils, committees, boards, and commissions.	Applications (<i>appointed, unsuccessful</i>) Interview Notes Letters of Appointment Letters of Recommendation Oaths of Office Resumes Submitted Documents		Term of Office+2Y Unsuccess - Date of Decision +2Y	CA - GOV 34090 - (2Y)
133-04	City Clerk Community Services	Assessment Districts - Successful Records and information documenting the formation and operations of assessment and funding districts including those for: - Community facilities - Fire benefit - Lighting & landscaping - Maintenance - Recreation - Street improvements -Election Records	District Formation Documents Ballots Tally Sheets		Permanent	CA - GOV 34090(a) - (PR)
134-04	City Clerk	Assessment Districts - Unsuccessful Records and information documenting the formation and operations of assessment and funding districts including those for:	District Formation Documents		C+2Y	CA - GOV 34090(d)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
City Clerk						
161-04	City Clerk	CEQA Noticing	CEQA Noticing and Documents		Permanent	CA - GOV 34090 - (2Y)
006-00	City Clerk	Election Records - Administrative Files Documentation of the administration of City elections.	Correspondence Non-municipal election files Research Notes		4Y	CA - GOV 34090 - (2Y) CA - GOV 81009(f)(g) - (4Y; 2Y)
184-05	City Clerk	Election Records - Candidates Elected Records and information related to the filing of campaign and election documentation by candidates who are elected to City offices.	Campaign Disclosures, Nomination Papers Campaign Statements		Permanent	CA - GOV 81009(b) - (PR)
185-05	City Clerk	Election Records - Candidates Not Elected Records and information related to the filing of campaign and election documentation by candidates, but who are not elected.	Campaign Disclosures, Nomination Papers Campaign Statements		5Y	CA - GOV 81009(b) - (5Y)
187-05	City Clerk	Election Records - Committees Records and information related to the filing of FPPC forms for Political Action Committees and General Purpose Committees.	FPPC Series 400 Forms		7Y	CA - GOV 81009(c) - (7Y)
177-04	City Clerk	Election Records - Initiative, Recall, or Referendum Administration Records related to the submission and processing of initiative, referendum, recall, or ballot measures, excluding petitions. -FPPC Forms	City Attorney Opinions Ballot Measure (Arguments For / Against, Full Text, Rebuttals, Impartial Opinion) Election Results		4Y	CA - GOV 81009(f)(g) - (4Y; 2Y)
183-05	City Clerk	Election Records - Initiative, Recall, or Referendum Petitions Petitions for initiative, referendum, recall, or ballot measures, whether successful or not.	Petitions	Not accessible to the public; The 8 month retention applies after election results, or final examination if no election, unless there is a legal or FPPC proceedings.	8M	CA - ELEC 17200 - (8 Months) CA - ELEC 17400 - (8 Months)
181-05	City Clerk	Election Records - Nomination Documents Records and information related to the filing of nomination papers and petitions in lieu of filing fee.	Candidate Statements (<i>for sample ballot</i>) Nomination Papers Petitions in Lieu of Filing Fee Signatures in Lieu of Filing Fee Petitions Supplemental Nomination Papers		Term of Office+4Y	CA - ELEC 17100(a) - (T+4Y)
132-04	City Clerk	Election Records - Proposition 218 Protest Procedure Records related to administration of notifications and protests associated with taxes, assessments, and fees subject to Prop 218.	Ballots Engineer's Report Notices Protest Letters Public Hearing Material		Permanent	California Constitution Art. XIII
147-04	City Clerk	FPPC Forms - Mandated Reporting Forms mandated by state law related to receipt and redistribution of gifts and honoraria, ceremonial roles, and holding of multiple positions for certain employees, elected or appointed officials, or consultants.	Form 801 Form 802 Form 806		2Y	CA - GOV 34090 - (2Y)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
City Clerk						
176-04	City Clerk	FPFC Forms - Statements of Economic Interest Statements of economic interest mandated by state law for certain employees, elected or appointed officials, or consultants.	Form 700		Term*+7Y	CA - GOV 34090 - (2Y) CA - GOV 81009 - (4Y, 7Y) *Term = Term of Office, Term of Service or Termination of Employment
182-05	City Clerk Economic Development Housing	Historical Documents, Events, Memorabilia, Collections, Artifacts Records and information documenting the history and significant milestones of the City as determined by the City Manager or City Clerk - Redevelopment Plan Ojo de Aqua - Amendment & Formation	Biographies of City Officials Census Information City Seal City Generated Historical Studies / Reports City Incorporation - (RDA Included) City Publications (<i>historic, significant</i>) Council District Maps Demographics Elections (<i>historic, significant</i>) Executive, City Official Communications, Speeches, Videos (<i>historic, significant, State of the City</i>) Grand Jury Documentation History Cards (<i>historical personnel rosters</i>) Historical Parks, Facilities Memorial Programs News, Press Releases (<i>historic, significant</i>) Newspaper Clippings Picture Collections Publicity Photographs Redevelopment Agency (RDA) and Successor Agency Historical Documents (<i>redevelopment plans, etc.</i>) Registered Logos SCRWA		Permanent	CA - GOV 34090 - (2Y)
157-04	City Clerk	Oath of Office	Oath of Office - Originals		Permanent	CA - GOV 34090(a) - (PR)
159-04	City Clerk	Passport Acceptance Records and information related to services performed by the City Clerk's office in support of federal passport programs.	Passport Acceptance Transmittals		2Y	CA - GOV 34090 - (2Y)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Community Services						
131-04	City Clerk Community Services	Assessment Districts - Successful Records and information documenting the formation and operations of assessment and funding districts including those for: - Community facilities - Fire benefit - Lighting & landscaping - Maintenance - Recreation - Street improvements -Election Records	District Formation Documents Ballots Tally Sheets		Permanent	CA - GOV 34090(a) - (PR)
023	Building Community Services Fire	Code Compliance and Enforcement Records and information documenting compliance with City codes, including such issues as: - Vehicle related, e.g., abandoned, commercial, RV storage - Right of way obstructions - Weed abatement - Yard/garage sales - Trash - Residential lighting - Street, mobile vending - Signs and banners - Vacant/Abandoned buildings - Property maintenance	Certificates of Nuisance and Abatement Citations Complaint Forms Compliance with Conditions of Approval Inspections / Enforcement (<i>business, residential</i>) Investigations Notices of Noncompliance Notices of Violation Photographs		2Y	CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) CA - PEN 802 - (2Y) CA - Law Enforcement Evidence and Property Management Guide NOTE: Records for repeat offenders may be retained longer to document a history of violations
029	Community Services Engineering and Utilities	Engineering and Facilities Records and information related to the engineering of projects within the City, whether commercial development or construction/improvement of City-owned infrastructure and facilities.	Community Facility District reimbursement requests (Mello-Roos) Correspondence Development Impact Fees and Reconciliations Easements Encroachment Permits Field Inspections, Closures Final Improvement Plans/As-Built Plans Geological Reports /Soil Land Development Lot Line Adjustments Project Plans and Schedules Specifications, Calculations, Change Orders Studies and Surveys Utility Design Reports and Tech Memos		Permanent	CA - CCP 337.1 - (LA4Y) CA - CCP 337.15 - (LA10Y) CA - 14 CCR 15095 - (Reasonable) CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) CA - HSC 19850 - (LI) US - 40 CFR 122.21(p) - (3Y) US - 40 CFR 122.41(j) - (3Y)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Community Services						
030	Community Services Economic Development Emergency Operations Center Engineering and Utilities Finance and Utility Billing Housing	Grants and External Funding Sources Documents the application, evaluation, awarding, administration, monitoring, reporting, and status of grants and other funding sources in which the City is the recipient or administrator. Includes: - Community Development Block Grant (CDBG) (State Funded Program) - Combined Federal, State, Local Grants - Federal Grants - Local Grants - State Grants - Transportation Agency Funding	Applications (<i>including project proposals</i>) Audits Award Notification Funding Requests (<i>State Funded</i>) Grant Administration Grant Funding Grant Evaluations Payroll (<i>certified, Davis Bacon</i>) Program Rules, Regulations, Procedures Reports to Funding Agencies Semi-annual Labor Reports		While Active+7Y	CA - GOV 34090 - (2Y) CA - Office of Emergency Services 2018 Subrecipient Handbook §11210 - (AC+7Y) US - 2 CFR 200.333 - (CL+3Y) US - 24 CFR 570.502(a)(7)(i)(A) - (LA4Y) Unsuccessful applications are retained for 2 years. NOTE: If a grant requires longer retention, its specific requirements will take precedence.
027	City Attorney Community Services Engineering and Utilities Finance and Utility Billing	Risk Management - Claims By or Against the City Records detailing claims lodged by or against the City, other than for Workers Compensation.	Accident/Incident Reports Actuarial Reports Annual Audit of Open Claims Appraisals Claims By/Against the City Closing Letters Damage Estimate Reports Supporting Documentation Insurance Claims, Appraisals, Reports Investigations		Final Resolution+5Y	CA - CCP 337 - (LA4Y) CA - CCP 338.1 - (LA5Y) CA - GOV 34090 - (2Y)
031	Community Services IT/GIS Public Services-Maintenance Police	Security, Access Operations Records and information regarding physical access controls and protection for City buildings and facilities.	Access Controls Access Reports Card Key System Records Daily Activity Logs Facility Key Lists Key Cards Transaction Logs		2Y	CA - GOV 34090 - (2Y)
102	Community Services IT/GIS Public Services-Maintenance Police	Security Video Records and information regarding physical access controls and protection for City buildings and facilities.	CCTV Security Video		1Y	CA - GOV 34090.6 - (1Y)
032	Community Services	Telecommunications Records Records and information associated with the planning, management and maintenance of the City's television station.	FCC Licenses Station Log		4Y	CA - GOV 34090 - (2Y) CA - PUC 5860(i) - (4Y)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Economic Development						
033	Economic Development	Economic Development Programs and Services Records and information documenting the City's economic development programs, including: - Sewer and Traffic Financing Program - Impact Fee Freeze Agreement Program - Business Improvement Districts (Property Based - PBID, Tourism Based - TBID) - - Parklet Program - Senior Development Trust Fund Program - Facade Program Downtown Association/Improvements	Applications Brochures Business Assistance Correspondence Economic Development Strategy Financial Investment Planning Fee Financing Program Impact Fee Schedule Market Studies Pilot Programs Website		While Active+4Y	CA - CCP 337 - (LA4) CA - GOV 34090 - (2Y) US - 2 CFR 200.333 - (CL+3Y)
030	Community Services Economic Development Emergency Operations Center Engineering and Utilities Finance and Utility Billing Housing	Grants and External Funding Sources Documents the application, evaluation, awarding, administration, monitoring, reporting, and status of grants and other funding sources in which the City is the recipient or administrator. Includes: - Community Development Block Grant (CDBG) (State Funded Program) - Combined Federal, State, Local Grants - Federal Grants - Local Grants - State Grants - Transportation Agency Funding	Applications (<i>including project proposals</i>) Audits Award Notification Funding Requests (<i>State Funded</i>) Grant Administration Grant Funding Grant Evaluations Payroll (<i>certified, Davis Bacon</i>) Program Rules, Regulations, Procedures Reports to Funding Agencies Semi-annual Labor Reports		While Active+7Y	CA - GOV 34090 - (2Y) CA - Office of Emergency Services 2018 Subrecipient Handbook §11210 - (AC+7Y) US - 2 CFR 200.333 - (CL+3Y) US - 24 CFR 570.502(a)(7)(i)(A) - (LA4Y) Unsuccessful applications are retained for 2 years. NOTE: If a grant requires longer retention, its specific requirements will take precedence.
182-05	City Clerk Economic Development Housing	Historical Documents, Events, Memorabilia, Collections, Artifacts Records and information documenting the history and significant milestones of the City as determined by the City Manager or City Clerk - Redevelopment Plan Ojo de Aqua - Amendment & Formation	Biographies of City Officials Census Information City Seal City Generated Historical Studies / Reports City Incorporation - (RDA Included) City Publications (<i>historic, significant</i>) Council District Maps Demographics Elections (<i>historic, significant</i>) Executive, City Official Communications, Speeches, Videos (<i>historic, significant, State of the City</i>) Grand Jury Documentation History Cards (<i>historical personnel rosters</i>) Historical Parks, Facilities Memorial Programs News, Press Releases (<i>historic, significant</i>) Newspaper Clippings Picture Collections Publicity Photographs Redevelopment Agency (RDA) and Successor Agency Historical Documents (<i>redevelopment plans, etc.</i>) Registered Logos SCRWA		Permanent	CA - GOV 34090 - (2Y)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Economic Development						
161-04	Economic Development Planning	Planning and Zoning Projects and Services Records and information pertaining to all planning and zoning activities, including: - Annexations - Approved and denied permanent entitlements - Cultural resources designations/alterations (CRD) - General plan amendments - Minor exceptions - Planned unit developments(PUD) - Residential planned developments (RPD) - Subdivisions - Transfer development credits - Urban service area amendments/Urnam Growth Boundary Committee - Variances - Williamson Act cancellations - RDCS -County Referrals South County Joint Planning Special Studies	Administrative Meeting Minutes, Decisions Appeals ABC Notifications for Liquor Licenses Architectural and Site Plan Reviews CC&R's CEQA Noticing Conditions of Approval Conditional Use Permits Design Review Development Regulations Entitlements (administrative, planning) Environmental Impact Reports (EIRS) and Determinations General Plan Hillside Home Review Home Occupancy Permits In Lieu Fees Land Use Permits, Studies Mello-Roos Master Plans and Specific Plans (parking, sign, streets, trees) - Planning Project Files (approved applications, architectural & design reviews, plan reviews, project maps, tentative maps, RDCS Applications Reversions to Acreage Zoning, Rezoning and Map Amendments Conceptual Plan Reviews		Permanent	CA - CCP 337.1 - (LA4Y) CA - CCP 337.15 - (LA10Y) CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 12981 - (FR+1Y) CA - GOV 34090 - (2Y) CA - HSC 19850 - (LI)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Emergency Operations Center						
030	Community Services Economic Development Emergency Operations Center Engineering and Utilities Finance and Utility Billing Housing	Grants and External Funding Sources Documents the application, evaluation, awarding, administration, monitoring, reporting, and status of grants and other funding sources in which the City is the recipient or administrator. Includes: - Community Development Block Grant (CDBG) (State Funded Program) - Combined Federal, State, Local Grants - Federal Grants - Local Grants - State Grants - Transportation Agency Funding	Applications (<i>including project proposals</i>) Audits Award Notification Funding Requests (<i>State Funded</i>) Grant Administration Grant Funding Grant Evaluations Payroll (<i>certified, Davis Bacon</i>) Program Rules, Regulations, Procedures Reports to Funding Agencies Semi-annual Labor Reports		While Active+7Y	CA - GOV 34090 - (2Y) CA - Office of Emergency Services 2018 Subrecipient Handbook §11210 - (AC+7Y) US - 2 CFR 200.333 - (CL+3Y) US - 24 CFR 570.502(a)(7)(i)(A) - (LA4Y) Unsuccessful applications are retained for 2 years. NOTE: If a grant requires longer retention, its specific requirements will take precedence.

ACRONYMS USED IN LEGAL CITATIONS
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset)
M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year

Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Finance and Utility Billing						
042	Finance and Utility Billing	Accounts Payable and Receivable Records and information related to the accounting of monies paid or received by the City including payment for financial obligation and Citywide revenue receipts. -	Aging Reports Bankruptcy Proofs of Claim Business Licenses (applications, fees, financial history, renewals, reports) Cash Records (<i>cash disbursement, cash register receipts, cash receipts</i>) Collections Construction Performance Bond Reimbursements Credit Memos Expense Reports, Reimbursements for Employees and Officials Fees and Taxes FEMA Reimbursements Form 1099 Records and Form W-9 Records Invoices and Vouchers Payables Purchasing Card Expense Reconciliation/Allocations Receivables Reconciliations Refunds Sales and Use Taxes Paid Tax Revenue (<i>property taxes, transient occupancy taxes, utility user taxes</i>) Utility Billing (<i>water, waste water, calculations</i>)		6Y	CA - CCP 337 - (LA4Y) CA - CCP 338 - (LA3Y) CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) US - 26 CFR 31.6001 - (CU+4Y) US - 26 USC 6531 - (LA6Y)
043	Finance and Utility Billing	Bank Account Information Records and information related to banking authorities, activities, transactions and correspondence. This category includes reconciliations.	Bank Account Administration Bank Statements Checks, (<i>canceled, copies</i>) Check Registers, Journals Corrections / Returns / Adjustments Deposit Slips/Receipts Electronic Banking Transactions Purchasing Card Statements Reconciliations Signature Cards Transfers/Wires Treasurer Receipts		6Y	CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) US - 26 CFR 31.6001 - (CU+4Y) US - 26 USC 6531 - (LA6Y)

ACRONYMS USED IN LEGAL CITATIONS
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset)
M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year

Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Finance and Utility Billing						
044	Finance and Utility Billing	Budget Planning Records and information regarding the development and tracking of City budgets.	Budget Development Documents Trial Balance/Balance Sheets (Finals)		2Y	CA - GOV 34090 - (2Y)
045	Finance and Utility Billing	Customer Account Information - Utilities Records and information for customers of City utilities services.	Account Applications and Setup Customer History Uncollected Amounts		While Active+4Y	CA - CCP 337 - (LA4Y) CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y)
046	Finance and Utility Billing	Debt, Investments Records and information relating to City financing and debt activities.	Annual Reports Arbitrage Reports Bond Insurance Transcripts Bonds (<i>CFD, continuing disclosures, bond rating reports, official statements</i>) Bond Financing/Closings Certificates of Deposit (<i>CDs</i>) Fiduciary Debt and Investments General Obligation Bonds Investment Reporting and Portfolio Management Loans (debt state loans) Loan Agreement/Deed of Trust Local Agency Investment Fund (<i>LAIF</i>) Payment History/Schedules Promissory Notes Quarterly Investment Report Recognized Obligation Payment Schedules (<i>ROPS</i>) Reporting (<i>continuing disclosure, Mello-Roos, state reports</i>) Security Instruments Third Party Trustee Account Statements		Maturity*+10Y	CA - CCP 336 - (LA5Y) CA - CCP 337 - (LA4Y) CA - CCP 337.5 - (LA10Y) CA - CCP 338 - (LA3Y) CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) US - 26 CFR 31.6001 - (CU+4Y) US - 26 CFR 301.6501 - (CU+3Y) *Maturity includes cancellation and redemption
047	Finance and Utility Billing	Financial Reporting - Annual, Periodic Annual and periodic financial reports, whether required by regulations or generated to track financial transactions and achievements by the City.	CAFR Workpapers Payroll Reports (<i>HRA, RMT, ICMA 457 accounts, Nationwide, deferred compensation</i>) Revenue/Expenditures Reports Treasurer's Report Workers Compensation Reports		6Y	CA - GOV 34090 - (2Y) US - 26 CFR 1.1461-2 - (CU+1Y) US - 26 USC 6531 - (LA6Y)
048	Finance and Utility Billing	Financial Reporting - Official Official financial reports of the City.	Annual Budget Annual Report of Financial Transactions To State Annual State Controller Filings Audited Financial Statements Audited Comprehensive Annual Financial Report CAFR (<i>final</i>) Local Government Compensation Report PERS Reports State Controller's Report		Permanent	CA - GOV 34090 - (2Y) US - 26 CFR 1.1461-2 - (CU+1Y) US - 26 USC 6531 - (LA6Y)
049	Finance and Utility Billing	Financial, Strategic Planning Records and information relating to financial planning and forecasting future costs.	Business Plans Financial Plans Forecasts Rate/Fee Schedules (<i>development, utilities, licenses, permits</i>)		2Y	CA - GOV 34090 - (2Y)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Finance and Utility Billing						
050	Finance and Utility Billing	Fixed Assets Records and information related to the ownership, transfer, acquisition, disposition, capital leased, or improvement of fixed assets owned by or used by the City.	Acquisitions Amortization Asset Retirement Records Dispositions Capital Asset Records Capital Improvements Depreciation Schedules Equipment Rental/Usage Reports Fixed Asset Reports Fixed Asset Ledger Fixed/Capital Asset Accounting Possessory Interest Sales Valuation Information		Life*+10Y	CA - CCP 337.15 - (LA10Y) CA - GOV 34090 - (2Y) US - 26 CFR 31.6001 - (CU+4Y) US - 26 USC 6531 - (LA6Y) * Life of Asset
051	Finance and Utility Billing	General Ledger, Journal Entries, Budget Adjustments Records and information related to the transfer of charges between accounts and summaries of account information, including year end summaries of general ledger transactions.	Account Ledgers Balance Sheets Budget Adjustments Cash Journal Entries Chart of Accounts Downloads / Data Exports Expenditure Reports General Ledger Journal Entries and Backup Documentation Revenue and Expense Reports Sub-Ledgers Summary Reports Trial Balance Year -End / Account Detail History Report		6Y	CA - GOV 34090 - (2Y) US - 26 CFR 31.6001 - (CU+4Y) US - 26 USC 6531 - (LA6Y)
030	Community Services Economic Development Emergency Operations Center Engineering and Utilities Finance and Utility Billing Housing	Grants and External Funding Sources Documents the application, evaluation, awarding, administration, monitoring, reporting, and status of grants and other funding sources in which the City is the recipient or administrator. Includes: - Community Development Block Grant (CDBG) (State Funded Program) - Combined Federal, State, Local Grants - Federal Grants - Local Grants - State Grants - Transportation Agency Funding	Applications (<i>including project proposals</i>) Audits Award Notification Funding Requests (<i>State Funded</i>) Grant Administration Grant Funding Grant Evaluations Payroll (<i>certified, Davis Bacon</i>) Program Rules, Regulations, Procedures Reports to Funding Agencies Semi-annual Labor Reports		While Active+7Y	CA - GOV 34090 - (2Y) CA - Office of Emergency Services 2018 Subrecipient Handbook §11210 - (AC+7Y) US - 2 CFR 200.333 - (CL+3Y) US - 24 CFR 570.502(a)(7)(i)(A) - (LA4Y) Unsuccessful applications are retained for 2 years. NOTE: If a grant requires longer retention, its specific requirements will take precedence.

ACRONYMS USED IN LEGAL CITATIONS
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset)
M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year

Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Finance and Utility Billing						
052	Finance and Utility Billing	Payroll Records and information related to the accounting of payroll earnings, deductions, and issuance. This also includes records and information reflecting all earnings and benefits paid to each employee, including: - Name, address, SSN - Total amount and date of payments - Period of service covered for each - Withholding - Tax collected	Deduction Authorizations, Registers, Reports Deferred Compensation Educational Reimbursements Employee Master File Federal and State Tax Leave Liability Report Payroll Checks, Copies, Stub Reports Payroll Certifications, Controls, Earnings Payroll Taxes PERS Reporting (<i>earnings and benefits for a pay period</i>) Salary Schedules Timekeeping Records (<i>timecards, out of class forms/reports, extra help requests</i>) W-2, W-4		6Y	CA - 2 CCR 570.5 - (5Y) CA - 2 CCR 571(b)(1)(E) - (5Y) CA - 22 CCR 1085-2(c) - (CU+4Y) CA - GOV 12946 - (2Y; T+2Y) CA - LAB 226a - (3Y) CA - LAB 1174 - (3Y) CA - LAB 1197.5 - (LA2Y, LA3Y) CA - UIC 1132 - (LA3Y) US - 26 CFR 31.6001 - (CU+4Y) US - 26 USC 6531 - (LA6Y) US - 29 CFR 516.5 - (3Y) US - 29 CFR 516.6 - (2Y) US - 29 CFR 1620.32 - (2Y) US - 29 CFR 1627.3 - (3Y)
027	City Attorney Community Services Engineering and Utilities Finance and Utility Billing	Risk Management - Claims By or Against the City Records detailing claims lodged by or against the City, other than for Workers Compensation.	Accident/Incident Reports Actuarial Reports Annual Audit of Open Claims Appraisals Claims By/Against the City Closing Letters Damage Estimate Reports Supporting Documentation Insurance Claims, Appraisals, Reports Investigations		Final Resolution+5Y	CA - CCP 337 - (LA4Y) CA - CCP 338.1 - (LA5Y) CA - GOV 34090 - (2Y)
053	Finance and Utility Billing	Unclaimed Funds Records and information pertaining to periodic publication of outstanding checks that are 3 years or older. After the City goes through its due diligence of trying to find the rightful owner, Finance returns any unclaimed funds to the City.	Uncashed Checks Unclaimed Funds		10Y	CA - CCP 1513 - (3Y) CA - GOV 34090 - (2Y) US - Uniform Unclaimed Property Act (1995), Section 3 - (10Y)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Fire						
021	Building Fire Prevention	Building Plans, Building Permits, Appeals and Decisions Records and information documenting the building services provided by the City regulating commercial and residential property and developments, including: - Electrical - Mechanical - Plumbing - Solar - Grading -Occupancy Seismic			Permanent	CA - CBC 107.5 - (180D) CA - CCP 337.1 - (LA4Y) CA - CCP 337.15 - (LA10Y) CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) CA - HSC 19850 - (LI)
023	Building Community Services Fire	Code Compliance and Enforcement Records and information documenting compliance with City codes, including such issues as: - Vehicle related, e.g., abandoned, commercial, RV storage - Right of way obstructions - Weed abatement - Yard/garage sales - Trash - Residential lighting - Street, mobile vending - Signs and banners - Vacant/Abandoned buildings - Property maintenance	Certificates of Nuisance and Abatement Citations Complaint Forms Compliance with Conditions of Approval Inspections / Enforcement (<i>business, residential</i>) Investigations Notices of Noncompliance Notices of Violation Photographs		2Y	CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) CA - PEN 802 - (2Y) CA - Law Enforcement Evidence and Property Management Guide NOTE: Records for repeat offenders may be retained longer to document a history of violations
054	Fire	Fire Marshall Records Records and information created and maintained by the City's Fire Marshall.	Building History Files Fire Incident Investigations and Reports		Life*+5Y	CA - California Fire Code, 104.6 - (5Y or Life of Structure or Activity, whichever is longer) CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) * Life of Structure or Activity
037	Engineering and Utilities Fire Public Services-Maintenance	Hazardous Waste - Monitoring and Remediation Planning, monitoring and contingency/emergency action plans for hazardous waste, emergency and spill response, natural and exposure emergencies, notifications and response; environmental action plans and supporting documentation; hazardous communications plans, including labeling, MSDS controls, training programs and procedures.	Employee Hazardous Chemical Exposure Hazardous Material Incident Reports Hazardous Material Inspection Hazardous Substances Shipping Manifests Hazardous Waste Proposition 65 Monitoring Response Plans, Programs Safety Data Sheets (SDS) Site Mitigation & Remediation Toxic Substance Inventory		While Active+30Y	CA - 8 CCR 3204d - (CL+30Y) CA - CCP 338.1 - (LA5Y) CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) US - 29 CFR 1910.1020 - (CL+30Y)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Housing						
030	Community Services Economic Development Emergency Operations Center Engineering and Utilities Finance and Utility Billing Housing	Grants and External Funding Sources Documents the application, evaluation, awarding, administration, monitoring, reporting, and status of grants and other funding sources in which the City is the recipient or administrator. Includes: - Community Development Block Grant (CDBG) (State Funded Program) - Combined Federal, State, Local Grants - Federal Grants - Local Grants - State Grants - Transportation Agency Funding	Applications (<i>including project proposals</i>) Audits Award Notification Funding Requests (<i>State Funded</i>) Grant Administration Grant Funding Grant Evaluations Payroll (<i>certified, Davis Bacon</i>) Program Rules, Regulations, Procedures Reports to Funding Agencies Semi-annual Labor Reports		While Active+7Y	CA - GOV 34090 - (2Y) CA - Office of Emergency Services 2018 Subrecipient Handbook §11210 - (AC+7Y) US - 2 CFR 200.333 - (CL+3Y) US - 24 CFR 570.502(a)(7)(i)(A) - (LA4Y) Unsuccessful applications are retained for 2 years. NOTE: If a grant requires longer retention, its specific requirements will take precedence.
182-05	City Clerk Economic Development Housing	Historical Documents, Events, Memorabilia, Collections, Artifacts Records and information documenting the history and significant milestones of the City as determined by the City Manager or City Clerk - Redevelopment Plan Ojo de Aqua - Amendment & Formation	Biographies of City Officials Census Information City Seal City Generated Historical Studies / Reports City Incorporation - (RDA Included) City Publications (<i>historic, significant</i>) Council District Maps Demographics Elections (<i>historic, significant</i>) Executive, City Official Communications, Speeches, Videos (<i>historic, significant, State of the City</i>) Grand Jury Documentation History Cards (<i>historical personnel rosters</i>) Historical Parks, Facilities Memorial Programs News, Press Releases (<i>historic, significant</i>) Newspaper Clippings Picture Collections Publicity Photographs Redevelopment Agency (RDA) and Successor Agency Historical Documents (<i>redevelopment plans, etc.</i>) Registered Logos SCRWA		Permanent	CA - GOV 34090 - (2Y)
055	Housing	Housing Program Files Records and information regarding programs that provide assistance to home purchasers and home owners, including: - Below Market Rate Program - Non-Profit Developer New Construction and Rehabilitation Affordable Rental Housing Program - Down Payment Loan Programs (for below market rate properties)	Applications Assignment and Assumption Correspondence Donations from Seniors (<i>senior trust fund</i>) Housing Notes Land Lease Loan Agreements Loan Amortization Schedules Non-monetary Deeds of Trust Regulatory Agreements Rental Deposit Assistance Relocation Payments		While Active+10Y	CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) US - 24 CFR 5.514 - (5Y) US - 24 CFR 570.502 - (AC+3Y;AC+4Y) US - 24 CFR 908.101 - (AC+3Y)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Housing						
024	Building Engineering and Utilities Housing Planning	Property, Infrastructure Maps, Plans and Drawings Final maps, plans and drawings pertaining to City properties and infrastructure. - Maps address, tract, GIS	Aerial Photos Assessor Parcel Maps Annexations - Water/Sewer Systems Building Site Determination Drainage Flood Elevation Certificates Functional Classification Maps Improvement Plans, Drawings Lot Line Adjustments Lot Numbers Master Maps (<i>CIP, historic, drainage</i>) Subdivisions (<i>major, minor</i>) Mylars Parcel Mergers Parcels, Plats Rights of Way Signal Plans Signing and Striping Plans Sphere of Influence Street Address Files Streetlights Surveying Tracts Traffic Signal Plans, Interconnect Plans Water and Wastewater Systems		Permanent	CA - CCP 337.15 - (LA10Y) CA - GOV 34090(a) - (PR) CA - HSC 19850 - (LI)

ACRONYMS USED IN LEGAL CITATIONS
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset)
M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year

Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Human Resources						
056	Human Resources	Benefit Plans Plans established to provide employee benefits and associated administrative documents, including: - Dental -Medical - Vision - Life insurance - Long-term care - Deferred compensation - Section 125 plan (flex spending) - Disability (short/long time) - PERS retirement for unbenefited part time employees - EAP	Broker Correspondence Group Insurance Cost Data CalPERS Actuarial Reports CalPERS Medical Plan CalPERS Retirement Plan Summary Plan Descriptions		Life*+6Y	CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) US - 29 USC 1027 - (6Y) US - 29 USC 1059 - (T+1Y) US - 29 USC 1113 - (LA6Y) US - 29 USC 1451 - (LA6Y) US - 29 CFR 4007.10 - (6Y) US - 29 CFR 4041.5 - (LI*+6Y) *Life of Plan or Benefit
057	Human Resources	Employment Agreements	Memoranda of Understanding (MOU's)/Side Letters		Permanent	
058	Human Resources	Employee Medical Records Documents pertaining to medical records of City employees, including exposure to hazardous substances, drug screens, and workers' compensation (includes employee records subject to HIPAA requirements).	Employee Hazardous Chemical Exposure Employee Medical File Exposure Monitoring Field Exposure Hazardous Exposure Noise Exposure, Audiometric Testing Records Pre-Employment Physicals Toxic Substance Exposure Records Vaccinations Drug Screening		Termination+30Y	CA - 8 CCR 10102 - (Injury+5Y or Closed+1Y) CA - 8 CCR 14300.33 - (5Y) CA - 8 CCR 3204 - (T+30Y) CA - CCP 338 - (LA3Y) CA - CCP 338.1 - (LA5Y) CA - GOV 34090 - (2Y) CA - LAB 5410 - (LA5Y) CA - 29 CFR 1904.33 - (CU+5Y) US - 29 CFR 1910.95 - (2Y) US - 29 CFR 1910.1020 - (30Y)
059	Human Resources	Labor Relations Documentation related to the negotiations between labor unions for collective bargaining purposes.	Confidential Memos Costing Ground Rules Handouts Information Requests Miscellaneous Information Notes Proposals - City Proposals - Union		While Active+4Y	CA - CCP 337 - (LA4Y) US - 26 CFR 31.6001-1 - (CU+4Y)
060	Human Resources	Labor Relations Grievances Documentation related to labor grievances filed under current collective bargaining agreements.	Grievance Files/Commission Hearing Grievance/Hearing Logs Union Grievances		Final Resolution+5Y	CA - CCP 337 - (LA4Y) CA - GOV 12946 - (2Y) US - 26 CFR 31.6001-1 - (CU+4Y)
061	Human Resources	Occupational Health Records Documents pertaining to worker health and safety, including the health and wellness program records of City employees (may include employee records subject to HIPAA requirements).	Ergonomic Evaluations Safety Committees		Termination+5Y	CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) CA - LAB 5406 - (LA1Y; LA240W) CA - LAB 6401.7 - (MAINT)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Human Resources						
062	Human Resources Police	Personnel Files All documents related to paid employees (full and part-time), unpaid volunteers, and interns including but not limited to: - selection/hiring - assignments - promotion - demotion - transfer - layoff - termination / resignation - pay rates / other terms of compensation - work authorizations	Applications, Applicant Reference Verifications, PD Employee Hiring Background Investigation Reports Awards, Rewards, Commendations, Certificates Disciplinary Actions Drivers License Data - Class C Employee Policy Acknowledgements Employment Authorizations (confirmations, status changes, terminations) Exit Records Individual Education, Development, Training Records Job Offer Letters Leave of Absence Documentation, FMLA Oaths of Office Performance Evaluations, Reviews or PIPs Recognition Volunteer Acknowledgements		Termination+3Y	CA - 2 CCR 11013 - (FR+2Y) CA - GOV 12946 - (2Y; T+2Y) CA - GOV 34090 - (2Y) US - 29 CFR 1602.14 - (FR+1Y) US - 29 CFR 1602.31 - (T+2Y) US - 29 CFR 1627.3 - (T+1Y) US - 29 USC 1059 - (T+1Y) US - 41 CFR 60-1.12(a) - (2Y) US - 41 CFR 60-741.80 - (2Y)
063	Human Resources	Personnel Rules and Regulations			Superseded+10Y	
025	Building Human Resources	Regulatory Reporting Official non-financial reports issued by City organizations to comply with regulatory requirements.	Census Reports (C-404) ACA EEOC Reports Labor Reports Month-End Reports OSHA 300 Reports Strong Motion Instrumentation Program (SMIP) Reports		5Y	CA - GOV 34090 - (2Y) US - 29 CFR 405.9 - (5Y) US - 29 CFR 1602.14 - (FR+1Y) US - 29 CFR 1602.30 - (3Y)
064	Human Resources	Salary, Compensation Documentation of job classification compensation.	Classification Studies Compensation Plans, Planning, Analysis Cost of Living Adjustments Job Descriptions Job Evaluation Documentation Salary Range History Salary Surveys		2Y	CA - GOV 34090 - (2Y) US - 29 CFR 1602.14 - (AC+1Y)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Human Resources						
065	Human Resources Public Services - Recreation	Staffing and Recruitment Records and information related to recruitment of qualified persons for both paid and unpaid position with the City, whether full time or temporary, including: - Applications and related records of candidates interviewed but not hired or accepted - Applications received but not acted upon	Applications, CVs, Resumes (<i>rejected, unsolicited</i>) Applicant Tracking Records (<i>hired, rejected</i>) Background Checks, Investigations - candidates not hired/accepted Civil Service Examination Results and Rankings Drug Testing, Pre-Hire Screening - candidates not hired/accepted Interview Notes Job Descriptions Job Postings, Announcements Job Requisition Requests Job Specifications Miscellaneous Hiring Process Notes Position Information Recruitment of Commission/Committee Candidates Temporary Intern Staffing Test Results (<i>non-hires</i>) Test and Examination Materials Unpaid Interns (<i>rejected</i>) Volunteers (<i>rejected</i>)		2Y	CA - 2 CCR 11013(c)(2) - (2Y) CA - GOV 12946 - (2Y) CA - GOV 34090 - (2Y) US - 29 CFR 1602.31 (2Y) US - 29 CFR 1627.3(b)(1) - (1Y)
066	Human Resources	Supervisor Employee Management Manager or supervisor's file containing personnel information related to employees under his/her active supervision.	Awards Certificates Counseling Documents Evaluations & Reviews Goals Promotional Documents Recognition Roles & Responsibilities		Termination*	CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) * Upon termination, the supervisor's files are transferred to HR.
067	Human Resources	Work Authorizations and Supporting Documentation Employment eligibility verification forms collected for active employees and supporting documentation regarding immigration status.	I-9 Documents and copies of associated documents Immigration Supporting Documentation		Termination+3Y	CA - GOV 34090 - (2Y) US - 8 CFR 274a(2) - (3Y or T+1Y, whichever is longer) US - 20 CFR 655.760 - (T+1Y)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
IT/GIS						
068	IT/GIS	Application, System Development and Maintenance Technical documentation related to development of City technology processes, applications, or systems, as well as conversions, changes or modifications to existing applications or systems.	Business, Functional Requirements Change Requests Data Element Attribute Reports Data Migration Documentation Database Dictionary / Schema End User Documentation, User Manuals GIS Hardware Configurations Network Circuits Inventories Network/Equipment Control Support Documentation Source Code System Documentation (<i>codebooks, record layouts, reference guides, schematics, specifications</i>) System, Application Maintenance Documentation (<i>hardware/operating system requirements, monitoring logs, operating manuals</i>) Telecommunications System (<i>telephones, voicemail</i>) Websites		Life*+2Y	CA - GOV 34090 - (2Y) *Life of Application.
069	IT/GIS	Business Continuity Records - Computing Equipment and Network Operations All documentation for dealing with preparation for and responses to emergencies, disasters and/or system failures for City computing resources.	Business Continuity Plans Disaster Recovery Plan Emergency Response		2Y	CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y)
031	Community Services IT/GIS Public Services- Maintenance Police	Security, Access Operations Records and information regarding physical access controls and protection for City buildings and facilities.	Access Controls Access Reports Card Key System Records Daily Activity Logs Facility Key Lists Key Cards Transaction Logs		2Y	CA - GOV 34090 - (2Y)
102	Community Services IT/GIS Public Services- Maintenance Police	Security Video Records and information regarding physical access controls and protection for City buildings and facilities.	CCTV Security Video		1Y	CA - GOV 34090.6 - (1Y)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
070	IT/GIS	Technology Help Desk, Access and Security Records and technical documentation of internal controls and system security. Includes data / information security breaches, notifications, and supporting documentation.	Audit Trail Files Automated Logs Change Management Case Files Computer Usage Files Data Breaches (<i>notifications, reports, responses</i>) Data Sets, Extracted Data Summaries Firewall Special Access Approvals Trouble Tickets Usage Reports (<i>summary, system</i>) User Access Records (<i>passwords, security logs, user accounts, log-in files, data entry logs, accounts</i>) User Incident, Response Files		3Y	CA - GOV 34090 - (2Y) CA - CIV 1798.27 - (3Y)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Planning						
102	Economic Development Planning	Planning and Zoning Projects and Services Records and information pertaining to all planning and zoning activities, including: - Annexations - Approved and denied permanent entitlements - Cultural resources designations/alterations (CRD) - General plan amendments - Minor exceptions - Planned unit developments(PUD) - Residential planned developments (RPD) - Subdivisions - Transfer development credits - Urban service area amendments/Urnarn Growth Boundary Committee - Variances - Williamson Act cancellations - RDCS -County Referrals South County Joint Planning Special Studies	Administrative Meeting Minutes, Decisions Appeals ABC Notifications for Liquor Licenses Architectural and Site Plan Reviews CC&R's CEQA Noticing Conditions of Approval Conditional Use Permits Design Review Development Regulations Entitlements (administrative, planning) Environmental Impact Reports (EIRS) and Determinations General Plan Hillside Home Review Home Occupancy Permits In Lieu Fees Land Use Permits, Studies Mello-Roos Master Plans and Specific Plans (parking, sign, streets, trees) - Planning Project Files (approved applications, architectural & design reviews, plan reviews, project maps, tentative maps, RDCS Applications Reversions to Acreage Zoning, Rezoning and Map Amendments Conceptual Plan Reviews		Permanent	CA - CCP 337.1 - (LA4Y) CA - CCP 337.15 - (LA10Y) CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 12981 - (FR+1Y) CA - GOV 34090 - (2Y) CA - HSC 19850 - (LI)
024	Building Engineering and Utilities Housing Planning	Property, Infrastructure Maps, Plans and Drawings Final maps, plans and drawings pertaining to City properties and infrastructure. - Maps address, tract, GIS	Aerial Photos Assessor Parcel Maps Annexations - Water/Sewer Systems Building Site Determination Drainage Flood Elevation Certificates Functional Classification Maps Improvement Plans, Drawings Lot Line Adjustments Lot Numbers Master Maps (<i>CIP, historic, drainage</i>) Subdivisions (<i>major, minor</i>) Mylars Parcel Mergers Parcels, Plats Rights of Way Signal Plans Signing and Striping Plans Sphere of Influence Street Address Files Streetlights Surveying Tracts Traffic Signal Plans, Interconnect Plans Water and Wastewater Systems		Permanent	CA - CCP 337.15 - (LA10Y) CA - GOV 34090(a) - (PR) CA - HSC 19850 - (LI)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Police						
072	Police	Animal Services Records and information documenting investigated animal cases.	Advice as to Treatment Approval or Denial of Treatment by City Classification Cases of Potentially Dangerous Animals Kennel Records Photos Records of Medical Treatment or Euthanasia		2Y	CA - CCP 340 - (LA1Y) CA - GOV 34090 - (2Y) CA - HSC 122331 - (MAINT) CA - PEN 802 - (2Y)
073	Police	Criminal Registrations - Drugs, Gangs Records for those required to register as drug or gang violence offenders.			5Y	CA - GOV 34090 - (2Y) CA - HSC 11594(a) - (5Y) CA - PEN 186.32 - (5Y)
074	Police	Criminal Registrations - Sex Offenders, Arsonists Records for those required to register as sex offenders or arsonists.		* Life of the offender or arsonist	Life*+2Y	CA - GOV 34090 - (2Y) CA - PEN 290(b) - (Life of Offender) CA - PEN 457.1(b)(2) - (Life of Arsonist)
075	Police	Emergency Management All documentation for dealing with preparation for and responses to emergencies, disasters and/or system failures for City facilities. Includes the Emergency Operations Center.	Business Continuity Plans Disaster Recovery Plan Drill Records Emergency Contact Lists, Employee Lists, Roster of Workers Emergency Evacuation Procedures Emergency Operations Center Emergency Preparedness Team Emergency Response Programs Evacuation Plans Fire Prevention Plan Hazard Mitigation Plan Telephone Trees		Superseded+2Y	CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y)
062	Human Resources Police	Personnel Files All documents related to paid employees (full and part-time), unpaid volunteers, and interns including but not limited to: - selection/hiring - assignments - promotion - demotion - transfer - layoff - termination / resignation - pay rates / other terms of compensation - work authorizations	Applications, Applicant Reference Verifications, PD Employee Hiring Background Investigation Reports Awards, Rewards, Commendations, Certificates Disciplinary Actions Drivers License Data - Class C Employee Policy Acknowledgements Employment Authorizations (confirmations, status changes, terminations) Exit Records Individual Education, Development, Training Records Job Offer Letters Leave of Absence Documentation, FMLA Oaths of Office Performance Evaluations, Reviews or PIPs Recognition Volunteer Acknowledgements		Termination+3Y	CA - 2 CCR 11013 - (FR+2Y) CA - GOV 12946 - (2Y; T+2Y) CA - GOV 34090 - (2Y) US - 29 CFR 1602.14 - (FR+1Y) US - 29 CFR 1602.31 - (T+2Y) US - 29 CFR 1627.3 - (T+1Y) US - 29 USC 1059 - (T+1Y) US - 41 CFR 60-1.12(a) - (2Y) US - 41 CFR 60-741.80 - (2Y)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Police						
076	Police	Police Case Files - Dead Bodies Records, crime reports and evidence associated with investigations of dead bodies, whether by natural causes or found.	Reports Statements		While Active*+2Y	CA - GOV 34090 - (2Y) CA - PEN 799 - (PR) * Case is active until body has been identified and cause of death determined. If determination is made that the death was a homicide, records are recategorized as "Felony Murder/Homicide" case files (see "Police Case Files - Felony Murder/Homicide, Capital Offenses, Child Abuse, Elder Abuse, and Violations of Public Trust" below).
077	Police	Police Case Files - Felonies, Excluding Murder Records, crime reports and evidence associated with felony violations of laws, including domestic violence, but excluding homicide and capital violations.	Criminal Protective Orders Reports Restraining Orders Statements		While Active*+10Y	CA - CCP 337.5 (LA10Y) CA - CCP 339 - (LA2Y) CA - GOV 34090 - (2Y) CA - PEN 799 - (MAINT) CA - PEN 851.8 - (SEAL & DESTROY) CA - PEN 851.90 - (MAINT) CA - PEN 13710 (MAINT) CA - Law Enforcement Evidence and Property Management Guide * Case becomes inactive when it has been adjudicated, all appeals exhausted or all time served. Provided there are not outstanding warrants, deaths, and it is not classified under PC §800 and 290 and HSC §11850; Statute of limitations is 2 years; Destroy juvenile marijuana after age 18; HSC §11361.5; GC §34090, PC §802, PC §187, 800 et seq.
078	Police	Police Case Files - Felony Murder/Homicide, Capital Offenses, Child Abuse, Elder Abuse, and Violations of Public Trust Records, crime reports and evidence associated with capital felony violations of laws, including homicide, child abuse, elder abuse, embezzlement of public funds, or falsification of public documents.			Permanent	CA - GOV 34090 - (2Y) CA - PEN 187-199 - (MAINT) CA - PEN 290 - (MAINT) CA - PEN 799 - (PR) CA - Law Enforcement Evidence and Property Management Guide No limitation on commencement of action; PC §261, 286, 288, 288a, 288.5, 289, 289.5, and 799.

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Police						
079	Police	Police Case Files - Juvenile Records, crime reports and evidence associated with criminal cases dealing with juveniles.			Longer of: MAJ**+8Y (or) SEAL**+5Y	CA - GOV 34090 - (2Y) CA - WIC 300 (age 18 or as directed by court) CA - WIC 600 (age 18 or as directed by court) CA - WIC 781 (age 18 or as directed by court) CA - WIC 826 (age 18 or as directed by court) CA - Law Enforcement Evidence and Property Management Guide *MAJ = Age of Majority Status (18Y); **SEAL = Date Records Sealed Statute of limitations runs up to age of majority + 8 years; Sealing for juveniles and Wards of the Court retained for 5 years; CP §340.1; GC §34090; WIC §781(d); WIC §826(a)&(b); WIC §781(a).
080	Police	Police Case Files - Misdemeanors, Infractions Records, crime reports and evidence of misdemeanors and infractions, including traffic incidents, parking/moving citations, administrative citations, and appeals.			5Y	CA - CCP 339 - (LA2Y) CA - GOV 34090 - (2Y) CA - PEN 802 - (2Y) CA - PEN 853.6 - (MAINT) CA - Law Enforcement Evidence and Property Management Guide
081	Police	Police Case Files - Missing Persons, Protective Custody and Runaways Records, crime reports and evidence associated with missing persons and runaways.			While Active*+2Y	CA - GOV 34090 - (2Y) CA - Law Enforcement Evidence and Property Management Guide * Case remains active until solved
082	Police	Police Case Files - Officer Involved Shootings Records, crime reports and evidence associated with criminal cases dealing with officer involved shootings.			2Y	CA - GOV 34090 - (2Y) CA - Law Enforcement Evidence and Property Management Guide CA - PEN 832.18 - (2Y)
083	Police	Police Case Files - Sealing of Adult Records Records of court orders to seal the records of adults.			SEAL*+3Y	CA - GOV 34090 - (2Y) CA - PEN 851.8 - (SEAL+3Y) CA - PEN 851.90 - (MAINT) *SEAL = Date Records Sealed
084	Police	Police Case Files - Sealing of Juvenile Records Records of court orders to seal the records of juveniles.			Longer of: MAJ**+8Y (or) SEAL**+5Y	CA - CCP 340.1 (LA8Y) CA - GOV 34090 - (2Y) CA - WIC 300 (age 18 or as directed by court) CA - WIC 781 (age 18 or as directed by court) CA - WIC 781.5 (EXONERATION+3Y) CA - WIC 826 (age 18 or as directed by court) * MAJ = Age of Majority Status (18Y) ** SEAL = Date Records Sealed

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Police						
085	Police	Police Case Files - Stolen Property Records, crime reports and evidence associated with stolen property.			While Active*+3Y	CA - CCP 338 - (LA3Y) CA - GOV 34090 - (2Y) CA - Law Enforcement Evidence and Property Management Guide * Case remains active until solved
086	Police	Police Case Files - Traffic Collisions - Fatal Records, crime reports and evidence associated with traffic collisions involving fatalities.			Permanent	CA - GOV 34090 - (2Y) CA - Law Enforcement Evidence and Property Management Guide
087	Police	Police Dispatch Records Records of emergency calls to include time and date of call, contents of call, location of call, name of unit sent to scene, and other related information.	911 Emergency Call Logs Computer Aided Dispatch (CAD)		2Y*	CA - GOV 34090 - (2Y) CA - GOV 60201 - (MAINT) * Exception: Recordings used as evidence in a criminal prosecution or claim filed or litigation or potential claims and litigation shall be preserved for 100 days after conclusion of the court action.
088	Police	Police - General Support and Administrative Records Records of general community support activities and administrative reports received and/or generated in the routine course of law enforcement activities and not associated with a case number.	Activity Reports Citizen's Academy Crime Statistics Daily Bulletins LiveScan Research (<i>for non-City organizations</i>) Logs (<i>booking number, case number, daily DR#, incident, subpoenas received</i>) Police Explorer Program Records Published Reports Range Logs Ride-Along Program Records Uniform Crime Reporting Volunteers in Policing (VIP) Program Records		2Y	CA - CCP 339 - (LA2Y) CA - GOV 34090 - (2Y)
089	Police	Police Firearms Records Documentation related to the firearms and class m3 weapons.	Firearms Dealers (FFA) Class 3 Weapons Purchase Federal Firearms License Firearms Inventory		Permanent	

ACRONYMS USED IN LEGAL CITATIONS AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Police						
090	Police	Police-Issued Licenses, Permits Documentation of licenses, non-building permits and other authorizations issued in the City.	Adult Businesses Alarm Permits Animal Establishment/Commercial Kennels Bingo Concealed Weapons (guns, etc.) Firing Weapons within City Limits Live Entertainment Massage Establishments (includes background checks) Secondhand Dealer/Pawnbroker DOJ Licenses Taxi Permits		While Active+4Y	CA - CCP 337 (4Y) CA - GOV 34090 - (2Y)
091	Police	Police - Personnel Complaints, Internal Investigations Not Sustained ONLY Documentation of personnel complaints received, formal inquiries, and investigations, including those by Professional Standards, involving Police department employees (excludes officer involved shootings).	Actions Taken Citizen Complaints Internal Affairs Investigations		5Y	CA - GOV 12946 - (2Y) CA - GOV 34090 - (2Y) CA - PEN 801.5 - (4Y) CA - PEN 832.5(b) - (5Y) CA - PEN 13300(l) - (5Y) CA - VEH 2547 - (3Y)
092	Police	Police - Personnel Complaints, Internal Investigations Sustained ONLY Documentation of personnel complaints received, formal inquiries, and investigations, including those by Professional Standards, involving Police department employees (excludes officer involved shootings)	Actions Taken Citizen Complaints Internal Affairs Investigations		15Y	CA - PEN 832.5(b) - (15Y)
093	Police	Police Routine Body-Worn Camera Video Records Recordings of routine body-worn camera video monitoring, to include time and date of video, location of video and other related information.	Body-Worn Camera Recordings (<i>body cam</i>)		30D*	CA - PEN 832.18 - (60D) * Exception: If recordings are evidence in any criminal prosecution, claims filed, potential claims or any pending litigation, they shall be preserved for 100 days after the conclusion of the court action.
094	Police	Police Routine Dispatch Telephone and Radio Communications Records Routine daily recording of telephone communications and all radio communications relating to the operations of the department.	Audio Telephone Recordings Audio Radio Recordings 911 Call Recordings		100D*	CA - GOV 34090.6 - (Routine Audio: 100D) CA - GOV 26202.6 - (100D) CA - GOV 60201 - (MAINT) * Exception: If recordings are evidence in any criminal prosecution, claims filed, potential claims or any pending litigation, they shall be preserved for 100 days after the conclusion of the court action.

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Police						
095	Police	Police Routine Video Records Recordings of routine video monitoring, other than body-worn camera recordings, to include time and date of video, location of video and other related information.	Building Security Recordings		1Y*	CA - GOV 34090.6 - (Routine Video: 1Y) * Exception: If recordings are evidence in any criminal prosecution, claims filed, potential claims or any pending litigation, they shall be preserved for 100 days after the conclusion of the court action.
031	Community Services IT/GIS Public Services-Maintenance Police	Security, Access Operations Records and information regarding physical access controls and protection for City buildings and facilities.	Access Controls Access Reports Card Key System Records Daily Activity Logs Facility Key Lists Key Cards Transaction Logs		2Y	CA - GOV 34090 - (2Y)
102	Community Services IT/GIS Public Services-Maintenance Police	Security Video Records and information regarding physical access controls and protection for City buildings and facilities.	CCTV Security Video		1Y	CA - GOV 34090.6 - (1Y)
Public Services - Engineering and Utilities						
034	Engineering and Utilities Public Services-Maintenance	Asset Management, Maintenance Records related to the installation, management, and maintenance of City assets, including real property and infrastructure assets such as: - Buildings - Elevators - Equipment - Parks - Playgrounds - Streets - Sidewalks - Storm Drains - Streetlights - Streets (alleys, highways, medians) - Trees	Air Quality Permits and Inspections Backflow Inspections Custodial Services Equipment Certifications and Inspections Fire Equipment (NOTE: CalFire maintains these records on behalf of the City) Fire Inspections Inventories Irrigation (parks, public green space) Landscaping Maintenance and Repair Work Orders Maintenance Reports (<i>buildings, equipment, streets, sidewalks</i>) Parking Lots Pesticide (<i>treatments, applications</i>) Railroad Underpass Repair Orders Reports of Service Request Activity to Community Services Commission Sewers, Water and Wastewater Systems Sidewalks Signs, Signage Street Lights (<i>energizing, replacing</i>) Traffic Signals Trees (<i>service, requests, inspections</i>) Utilities Cost Tracking		Life*+4Y	CA - CCP 337 - (LA4Y) CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) * Life of Asset

ACRONYMS USED IN LEGAL CITATIONS
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset)
M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year

Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
035	Engineering and Utilities Public Services- Maintenance	CIP and Development Project Files Records and information related to the administration, analysis, design, development, planning, and construction associated with: - Acquisition and construction of new City capital assets - Developments by others on City property that entail engineering work by the City - Development projects impacting the public right-of-way - Capital improvement of City facilities, parks, streets and infrastructure. Includes projects funded from various sources including bonds, grants, capital improvement, and general fund.	Assessments Bid Documents Capacity (<i>water, wastewater</i>) Fees Certificates of Compliance/Notice of Non-Compliance Daily Inspections and Progress Meetings Development Fee Book Easements EIR, Notice of Determination, Categorical Exemptions Field Inspections, Closures Final Improvement Plans/As-Built Plans Flood Proof Certificates/Elevation Certificates Geological Reports Improvement Plans Permits Photos/Pictures Project Plans and Schedules, Insurance, Permits Real Estate Appraisals Specifications, Calculations, Change Orders Studies and Surveys Submittals Underground Utilities Maps Water Construction Water/Reservoir		Permanent	CA - CCP 337.1 - (LA4Y) CA - CCP 337.15 - (LA10Y) CA - 14 CCR 15095 - (Reasonable) CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) CA - HSC 19850 - (LI)* US - 40 CFR 122.21(p) - (3Y) US - 40 CFR 122.41(j) - (3Y)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Public Services - Engineering and Utilities						
036	Engineering and Utilities	Encroachments Records documenting encroachments upon City property.	Encroachment Permits, Certificates		While Active*+10Y	CA - CCP 337.1 - (LA4Y) CA - CCP 337.15 - (LA10Y) CA - GOV 34090 - (2Y)
029	Community Services Engineering and Utilities	Engineering and Facilities Records and information related to the engineering of projects within the City, whether commercial development or construction/improvement of City-owned infrastructure and facilities.	Community Facility District reimbursement requests (Mello-Roos) Correspondence Development Impact Fees and Reconciliations Easements Encroachment Permits Field Inspections, Closures Final Improvement Plans/As-Built Plans Geological Reports /Soil Land Development Lot Line Adjustments Project Plans and Schedules Specifications, Calculations, Change Orders Studies and Surveys Utility Design Reports and Tech Memos		Permanent	CA - CCP 337.1 - (LA4Y) CA - CCP 337.15 - (LA10Y) CA - 14 CCR 15095 - (Reasonable) CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) CA - HSC 19850 - (LI) US - 40 CFR 122.21(p) - (3Y) US - 40 CFR 122.41(j) - (3Y)
030	Community Services Economic Development Emergency Operations Center Engineering and Utilities Finance and Utility Billing Housing	Grants and External Funding Sources Documents the application, evaluation, awarding, administration, monitoring, reporting, and status of grants and other funding sources in which the City is the recipient or administrator. Includes: - Community Development Block Grant (CDBG) (State Funded Program) - Combined Federal, State, Local Grants - Federal Grants - Local Grants - State Grants - Transportation Agency Funding	Applications (<i>including project proposals</i>) Audits Award Notification Funding Requests (<i>State Funded</i>) Grant Administration Grant Funding Grant Evaluations Payroll (<i>certified, Davis Bacon</i>) Program Rules, Regulations, Procedures Reports to Funding Agencies Semi-annual Labor Reports		While Active+7Y	CA - GOV 34090 - (2Y) CA - Office of Emergency Services 2018 Subrecipient Handbook §11210 - (AC+7Y) US - 2 CFR 200.333 - (CL+3Y) US - 24 CFR 570.502(a)(7)(i)(A) - (LA4Y) Unsuccessful applications are retained for 2 years. NOTE: If a grant requires longer retention, its specific requirements will take precedence.
037	Engineering and Utilities Fire Public Services-Maintenance	Hazardous Waste - Monitoring and Remediation Planning, monitoring and contingency/emergency action plans for hazardous waste, emergency and spill response, natural and exposure emergencies, notifications and response; environmental action plans and supporting documentation; hazardous communications plans, including labeling, MSDS controls, training programs and procedures.	Employee Hazardous Chemical Exposure Hazardous Material Incident Reports Hazardous Material Inspection Hazardous Substances Shipping Manifests Hazardous Waste Proposition 65 Monitoring Response Plans, Programs Safety Data Sheets (SDS) Site Mitigation & Remediation Toxic Substance Inventory		While Active+30Y	CA - 8 CCR 3204d - (CL+30Y) CA - CCP 338.1 - (LA5Y) CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) US - 29 CFR 1910.1020 - (CL+30Y)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Public Services - Engineering and Utilities						
024	Building Engineering and Utilities Housing Planning	Property, Infrastructure Maps, Plans and Drawings Final maps, plans and drawings pertaining to City properties and infrastructure. - Maps address, tract, GIS	Aerial Photos Assessor Parcel Maps Annexations - Water/Sewer Systems Building Site Determination Drainage Flood Elevation Certificates Functional Classification Maps Improvement Plans, Drawings Lot Line Adjustments Lot Numbers Master Maps (<i>CIP, historic, drainage</i>) Subdivisions (<i>major, minor</i>) Mylars Parcel Mergers Parcels, Plats Rights of Way Signal Plans Signing and Striping Plans Sphere of Influence Street Address Files Streetlights Surveying Tracts Traffic Signal Plans, Interconnect Plans Water and Wastewater Systems		Permanent	CA - CCP 337.15 - (LA10Y) CA - GOV 34090(a) - (PR) CA - HSC 19850 - (LI)
027	City Attorney Community Services Engineering and Utilities Finance and Utility Billing	Risk Management - Claims By or Against the City Records detailing claims lodged by or against the City, other than for Workers Compensation.	Accident/Incident Reports Actuarial Reports Annual Audit of Open Claims Appraisals Claims By/Against the City Closing Letters Damage Estimate Reports Supporting Documentation Insurance Claims, Appraisals, Reports Investigations		Final Resolution+5Y	CA - CCP 337 - (LA4Y) CA - CCP 338.1 - (LA5Y) CA - GOV 34090 - (2Y)
038	Engineering and Utilities Public Services-Maintenance	Traffic Control and Improvement Records and information related to the City's efforts to manage and improve traffic and circulation.	Accident History Bicycles Highway Corridors Impact Studies Investigations Signals Signs Streets Temporary Street Closures Traffic Calming Traffic Device Drawings		2Y	CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Public Services - Engineering and Utilities						
039	Engineering and Utilities Public Services-Maintenance	Traffic and Transportation Planning Records and information of traffic engineering and transportation planning activities, including studies and surveys.	ADA Compliance (<i>ramps, sidewalks</i>) Functional Classification Maps Recommendations Street/Highway Studies/Surveys (<i>speed studies</i>) Surveys (<i>engineering, speed, traffic</i>) Traffic Advisory Committee (TAC) Traffic Control Plans Traffic Counts/Surveys/Studies/Volume Traffic Management Plans Transportation Planning		While Active+5Y	CA - GOV 34090 - (2Y)
040	Engineering and Utilities Environmental Services Public Services-Maintenance	Water Drainage Management Records and information documenting the operations and maintenance of the City's storm drains, pump stations and drainage ditches	Drainage Ditches Floods - Historical Records Pump Stations Storm Drains Storm Water		4Y	CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) CA - HSC 25244.19 - (4Y) CA - HSC 25244.20 - (4Y) US - 40 CFR 122.44 - (3Y)
041	Engineering and Utilities Environmental Services Public Services-Maintenance	Water, Waste Water and Sewer Management Records and information associated with planning and maintenance for ground water, sewers, storm drains, pump stations, and water distribution networks. -Santa Clara Valley Water District -Hydrant Meter Permits	Audits and Audit Reports Backflow Prevention, Reports, and Testing Conservation Cross Connections Drinking Water Violations Flood Plain Management (plans, SB5) Groundwater Clean-up Inspections Inventories (<i>equipment, materials, meters, pipes</i>) Irrigation (<i>management, plans, SSJID</i>) Measure E/P/C Monitoring and Testing (<i>well water, stormwater, water quality, runoff</i>) NPDES Permits Pollution Control Permits Pretreatment/Industrial Waste Pumps Reclamation Reporting Sewer System Storm Water Management Plan Underground Service Alerts (<i>USA</i>) Waste Water (<i>lab groups, reports to state</i>) Water Quality Management Plan (<i>WQMP</i>) Water Quality/Testing Water Wells, Maintenance and Operations Water Service Orders (<i>on/off</i>) Well Production Reports		While Active+5Y	CA - CCP 338 - (LA3Y) CA - CCP 338.1 - (LA5Y) CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) CA - HSC 25244.19 - (4Y) CA - HSC 25244.20 - (4Y) US - 40 CFR 70.6 - (CL+5Y) US - 40 CFR 122.21 - (3Y) US - 40 CFR 122.41 - (3Y) US - 40 CFR 122.44 - (3Y) US - 40 CFR 141.155 - (3Y) US - 40 CFR 261.32 - (3Y)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Public Services - Environmental						
040	Engineering and Utilities Environmental Services Public Services-Maintenance	Water Drainage Management Records and information documenting the operations and maintenance of the City's storm drains, pump stations and drainage ditches	Drainage Ditches Floods - Historical Records Pump Stations Storm Drains Storm Water		4Y	CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) CA - HSC 25244.19 - (4Y) CA - HSC 25244.20 - (4Y) US - 40 CFR 122.44 - (3Y)
041	Engineering and Utilities Environmental Services Public Services-Maintenance	Water, Waste Water and Sewer Management Records and information associated with planning and maintenance for ground water, sewers, storm drains, pump stations, and water distribution networks. -Santa Clara Valley Water District -Hydrant Meter Permits	Audits and Audit Reports Backflow Prevention, Reports, and Testing Conservation Cross Connections Drinking Water Violations Flood Plain Management (plans, SB5) Groundwater Clean-up Inspections Inventories (<i>equipment, materials, meters, pipes</i>) Irrigation (<i>management, plans, SSJID</i>) Measure E/P/C Monitoring and Testing (<i>well water, stormwater, water quality, runoff</i>) NPDES Permits Pollution Control Permits Pretreatment/Industrial Waste Pumps Reclamation Reporting Sewer System Storm Water Management Plan Underground Service Alerts (<i>USA</i>) Waste Water (<i>lab groups, reports to state</i>) Water Quality Management Plan (<i>WQMP</i>) Water Quality/Testing Water Wells, Maintenance and Operations Water Service Orders (<i>on/off</i>) Well Production Reports		While Active+5Y	CA - CCP 338 - (LA3Y) CA - CCP 338.1 - (LA5Y) CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) CA - HSC 25244.19 - (4Y) CA - HSC 25244.20 - (4Y) US - 40 CFR 70.6 - (CL+5Y) US - 40 CFR 122.21 - (3Y) US - 40 CFR 122.41 - (3Y) US - 40 CFR 122.44 - (3Y) US - 40 CFR 141.155 - (3Y) US - 40 CFR 261.32 - (3Y)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Public Services - Maintenance						
034	Engineering and Utilities Public Services-Maintenance	Asset Management, Maintenance Records related to the installation, management, and maintenance of City assets, including real property and infrastructure assets such as: - Buildings - Elevators - Equipment - Parks - Playgrounds - Streets - Sidewalks - Storm Drains - Streetlights - Streets (alleys, highways, medians) - Trees	Air Quality Permits and Inspections Backflow Inspections Custodial Services Equipment Certifications and Inspections Fire Equipment (NOTE: CalFire maintains these records on behalf of the City) Fire Inspections Inventories Irrigation (parks, public green space) Landscaping Maintenance and Repair Work Orders Maintenance Reports (<i>buildings, equipment, streets, sidewalks</i>) Parking Lots Pesticide (<i>treatments, applications</i>) Railroad Underpass Repair Orders Reports of Service Request Activity to Community Services Commission Sewers, Water and Wastewater Systems Sidewalks Signs, Signage Street Lights (<i>energizing, replacing</i>) Traffic Signals Trees (<i>service, requests, inspections</i>) Utilities Cost Tracking		Life*+4Y	CA - CCP 337 - (LA4Y) CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) * Life of Asset
071	Public Services-Maintenance	Building, Facilities Management Records and information regarding the structure of City buildings.	As-Built Blueprints Construction Records Electrical Wiring Schematics Floor Plans Project Specifications Property Inventory Utility Consumption Tracking		Life*+10Y	CA - CCP 337.1 - (LA4Y) CA - CCP 337.15 - (LA10Y) CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) CA - HSC 19850 - (LI) * LI = Life of Building or Facility

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Public Services - Maintenance						
035	Engineering and Utilities Public Services-Maintenance	CIP and Development Project Files Records and information related to the administration, analysis, design, development, planning, and construction associated with: - Acquisition and construction of new City capital assets - Developments by others on City property that entail engineering work by the City - Development projects impacting the public right-of-way - Capital improvement of City facilities, parks, streets and infrastructure. Includes projects funded from various sources including bonds, grants, capital improvement, and general fund.	Assessments Bid Documents Capacity (<i>water, wastewater</i>) Fees Certificates of Compliance/Notice of Non-Compliance Daily Inspections and Progress Meetings Development Fee Book Easements EIR, Notice of Determination, Categorical Exemptions Field Inspections, Closures Final Improvement Plans/As-Built Plans Flood Proof Certificates/Elevation Certificates Geological Reports Improvement Plans Permits Photos/Pictures Project Plans and Schedules, Insurance, Permits Real Estate Appraisals Specifications, Calculations, Change Orders Studies and Surveys Submittals Underground Utilities Maps Water Construction Water/Reservoir		Permanent	CA - CCP 337.1 - (LA4Y) CA - CCP 337.15 - (LA10Y) CA - 14 CCR 15095 - (Reasonable) CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) CA - HSC 19850 - (LI)* US - 40 CFR 122.21(p) - (3Y) US - 40 CFR 122.41(j) - (3Y)
037	Engineering and Utilities Fire Public Services-Maintenance	Hazardous Waste - Monitoring and Remediation Planning, monitoring and contingency/emergency action plans for hazardous waste, emergency and spill response, natural and exposure emergencies, notifications and response; environmental action plans and supporting documentation; hazardous communications plans, including labeling, MSDS controls, training programs and procedures.	Employee Hazardous Chemical Exposure Hazardous Material Incident Reports Hazardous Material Inspection Hazardous Substances Shipping Manifests Hazardous Waste Proposition 65 Monitoring Response Plans, Programs Safety Data Sheets (SDS) Site Mitigation & Remediation Toxic Substance Inventory		While Active+30Y	CA - 8 CCR 3204d - (CL+30Y) CA - CCP 338.1 - (LA5Y) CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) US - 29 CFR 1910.1020 - (CL+30Y)
031	Community Services IT/GIS Public Services-Maintenance Police	Security, Access Operations Records and information regarding physical access controls and protection for City buildings and facilities.	Access Controls Access Reports Card Key System Records Daily Activity Logs Facility Key Lists Key Cards Transaction Logs		2Y	CA - GOV 34090 - (2Y)
102	Community Services IT/GIS Public Services-Maintenance Police	Security Video Records and information regarding physical access controls and protection for City buildings and facilities.	CCTV Security Video		1Y	CA - GOV 34090.6 - (1Y)

ACRONYMS USED IN LEGAL CITATIONS AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Public Services - Maintenance						
038	Engineering and Utilities Public Services-Maintenance	Traffic Control and Improvement Records and information related to the City's efforts to manage and improve traffic and circulation.	Accident History Bicycles Highway Corridors Impact Studies Investigations Signals Signs Streets Temporary Street Closures Traffic Calming Traffic Device Drawings		2Y	CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y)
039	Engineering and Utilities Public Services-Maintenance	Traffic and Transportation Planning Records and information of traffic engineering and transportation planning activities, including studies and surveys.	ADA Compliance (<i>ramps, sidewalks</i>) Functional Classification Maps Recommendations Street/Highway Studies/Surveys (<i>speed studies</i>) Surveys (<i>engineering, speed, traffic</i>) Traffic Advisory Committee (<i>TAC</i>) Traffic Control Plans Traffic Counts/Surveys/Studies/Volume Traffic Management Plans Transportation Planning		While Active+5Y	CA - GOV 34090 - (2Y)
040	Engineering and Utilities Environmental Services Public Services-Maintenance	Water Drainage Management Records and information documenting the operations and maintenance of the City's storm drains, pump stations and drainage ditches	Drainage Ditches Floods - Historical Records Pump Stations Storm Drains Storm Water		4Y	CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) CA - HSC 25244.19 - (4Y) CA - HSC 25244.20 - (4Y) US - 40 CFR 122.44 - (3Y)

ACRONYMS USED IN LEGAL CITATIONS
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset)
M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year

Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Public Services - Maintenance						
041	Engineering and Utilities Environmental Services Public Services-Maintenance	Water, Waste Water and Sewer Management Records and information associated with planning and maintenance for ground water, sewers, storm drains, pump stations, and water distribution networks. -Santa Clara Valley Water District -Hydrant Meter Permits	Audits and Audit Reports Backflow Prevention, Reports, and Testing Conservation Cross Connections Drinking Water Violations Flood Plain Management (plans, SB5) Groundwater Clean-up Inspections Inventories (<i>equipment, materials, meters, pipes</i>) Irrigation (<i>management, plans, SSJID</i>) Measure E/P/C Monitoring and Testing (<i>well water, stormwater, water quality, runoff</i>) NPDES Permits Pollution Control Permits Pretreatment/Industrial Waste Pumps Reclamation Reporting Sewer System Storm Water Management Plan Underground Service Alerts (<i>USA</i>) Waste Water (<i>lab groups, reports to state</i>) Water Quality Management Plan (<i>WQMP</i>) Water Quality/Testing Water Wells, Maintenance and Operations Water Service Orders (<i>on/off</i>) Well Production Reports		While Active+5Y	CA - CCP 338 - (LA3Y) CA - CCP 338.1 - (LA5Y) CA - GOV 945.6(a)(2) - (LA6M; LA2Y) CA - GOV 34090 - (2Y) CA - HSC 25244.19 - (4Y) CA - HSC 25244.20 - (4Y) US - 40 CFR 70.6 - (CL+5Y) US - 40 CFR 122.21 - (3Y) US - 40 CFR 122.41 - (3Y) US - 40 CFR 122.44 - (3Y) US - 40 CFR 141.155 - (3Y) US - 40 CFR 261.32 - (3Y)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Public Services - Recreation						
096	Public Services - Recreation	Recreation Facility Rentals and Reservations Records and information documenting rental arrangements for the City's parks and recreational facilities.	Facility Rentals (<i>use applications - approved and unapproved, permits, reservation books, insurance certificates, users, reports</i>) Field Reservations		While Active+4Y	CA - CCP 337 - (LA4Y) CA - CCP 338 - (LA3Y) CA - GOV 34090 - (2Y)
097	Public Services - Recreation	Recreation Programs and Services - Adult Partnership Programs Specific records and information documenting the City's adult membership and programs offerings that are held in conjunction with operating partners through a partnership agreement.	Membership Applications (<i>adults, only</i>) Waivers and Releases of Liability (<i>adults, only</i>) Youth Program Sign-in, Sign-out Sheets		Cancellation+3 Years	CA - GOV 34090 - (2Y) CA - 22 CCR 101221 - (AC+3Y)
098	Public Services - Recreation	Recreation Programs and Services - City Programs Records and information documenting the City's recreational programs and community services, including: - Adult and senior (50+) classes and activities - After school programs and activities - Aquatics - Preschool - Special events - Sports and fitness - Seasonal camps - Trips and tours - Volunteer and part time staff - Youth and adult sports programs - Youth and teen classes and activities	Applications Before/After School Care Participant Records (<i>emergency information cards, behavior write-ups</i>) Financial Assistance Forms Membership Records Adult Only*** Program/Event Evaluations Recreation Schedules Registrations Forms Sports Team Rosters Volunteer Applications Waivers and Waiver Releases (<i>classes, programs, trips</i>)*** Withdrawal Forms	*** Waivers for specific programs conducted in partnership with outside partners shall be retained per the schedule indicated in Record No. 116.	While Active+3Y	CA - GOV 34090 - (2Y) CA - 22 CCR 101221 - (AC+3Y)
099	Public Services - Recreation	Recreation Programs and Services - Financial Assistance Records Records and information associated with requests for financial assistance to participate in recreation partnership programs.	Financial Assistance Applications Financial Assistance Numbers and Dollar Amounts		5 Years	CA - GOV 34090 - (2Y)
100	Public Services - Recreation	Recreation Programs and Services - Youth Partnership Programs Specific records and information documenting the City's youth membership and programs offerings that are held in conjunction with operating partners through a partnership agreement, including: - Membership Records with Youth on the membership - Program Waivers with Youth participating in the program - Drop in program waivers with Youth utilizing drop in	Camper Records and Forms (<i>applications, health forms</i>) Drop-in Program Waivers Membership Applications w/Children Membership Records and Forms (<i>includes Par-Q</i>) Program Applications with Waivers Waivers and Waiver Releases, Members and Guests w/Children Youth Program Sign-in, Sign-out Sheets		Until Cancellation, or When Youth Reaches Age 21, whichever is longer	CA - GOV 34090 - (2Y) CA - 22 CCR 101221 - (AC+3Y)
101	Public Services - Recreation	Recreation Programs and Services - Y-USA Constituency Reports Constituency reports associated with the Y-USA partnership program.	Constituency Reports		7 Years	CA - GOV 34090 - (2Y)

ACRONYMS USED IN LEGAL CITATIONS						
AC = While Active CU = Current Year CL = Closed D = Day FR = Final Resolution LA = Limitation on Action LI = Life (of program, asset) M = Month MA = Maturity MAINT = Maintain Records PR = Permanent S = Superseded T = Termination Y = Year						
Record No.	Department/Office of Record	Record Name and Description	Example Records	Notes and Comments	Retention	Legal Citations
Public Services - Recreation						
065	Human Resources Public Services - Recreation	Staffing and Recruitment Records and information related to recruitment of qualified persons for both paid and unpaid position with the City, whether full time or temporary, including: - Applications and related records of candidates interviewed but not hired or accepted - Applications received but not acted upon	Applications, CVs, Resumes (<i>rejected, unsolicited</i>) Applicant Tracking Records (<i>hired, rejected</i>) Background Checks, Investigations - candidates not hired/accepted Civil Service Examination Results and Rankings Drug Testing, Pre-Hire Screening - candidates not hired/accepted Interview Notes Job Descriptions Job Postings, Announcements Job Requisition Requests Job Specifications Miscellaneous Hiring Process Notes Position Information Recruitment of Commission/Committee Candidates Temporary Intern Staffing Test Results (<i>non-hires</i>) Test and Examination Materials Unpaid Interns (<i>rejected</i>) Volunteers (<i>rejected</i>)		2Y	CA - 2 CCR 11013(c)(2) - (2Y) CA - GOV 12946 - (2Y) CA - GOV 34090 - (2Y) US - 29 CFR 1602.31 (2Y) US - 29 CFR 1627.3(b)(1) - (1Y)

CITY COUNCIL STAFF REPORT

MEETING DATE: August 17, 2022

PREPARED BY:

Rebecca Garcia, Housing Director

APPROVED BY: City Manager

APPROVE CONTRACT BETWEEN THE COUNTY OF SANTA CLARA AND THE CITY OF MORGAN HILL FOR CONTINUATION OF HOMELESS PREVENTION SERVICES

RECOMMENDATION(S)

Approve and authorize the City Manager to execute and administer a two-year contract with the County of Santa Clara to continue to support Homeless Prevention Services for a total of \$100,000.

Estimated Time:

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Supporting our Youth, Seniors, and Entire Community

Enhancing Diversity and Inclusiveness

Advancing Regional Initiatives

2022-2023 Strategic Priorities

Affordable Housing and Homelessness

Guiding Documents

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

Homelessness continues to be a pressing issue for Santa Clara County (SCC) and the State of California. Every two years, communities across the country conduct counts of their homeless populations to measure the prevalence of homelessness in their communities. Communities collect information on individuals and families sleeping in emergency shelters and transitional housing, as well as people sleeping on the streets, in cars, in abandoned properties, or in other places not meant for human habitation. SCC and the cities in Santa Clara County worked in conjunction with Applied Survey Research (ASR) to conduct the Santa Clara County Homeless Census and Survey on February 23, 2022. The number of unhoused community members in Santa Clara County remains relatively steady compared to 2019, according to results of the 2022

Point-in-Time (PIT) homeless census. The overall number of homeless individuals counted this year increased by 3% in Santa Clara County (to 10,028), City of Morgan Hill-specific data is not yet available. Morgan Hill's homeless count from previous years indicated 61 people counted in 2013, 81 in 2015, 388 in 2017 (part of which was attributed to the temporary closing of an RV park), and 114 in 2019.

In 2017, the cities of Morgan Hill and Gilroy began coordinating housing efforts to both leverage limited dollars and partner with Community Based Organizations to strategically align these limited resources with the County's Continuum of Care. This partnership has one of the greatest impacts on preventing and solving homelessness. Since the inception of the Homeless Prevention System in 2017, 95 unduplicated households have been served and approximately \$478,100 has been distributed in the form of rental assistance, security deposits, transportation, utilities, and motel assistance. The Homeless Prevention System targets families with children in the Morgan Hill Unified School District at risk of homelessness. Since 2017, the City has contributed \$50,000 annually to support this strategy. Homeless Prevention is equally as important as and more cost effective than ending a person's homeless situation. The Homeless Prevention Program supports the City's 2022-2023 Ongoing and Strategic Priorities, advances the Housing Element, and the County's Community Plan to End Homelessness.

Staff recommends the City Council's continued support of the partnership with the County of Santa Clara Office of Supportive Housing to implement the Homeless Prevention Program and requests authorizing the City Manager to execute a contract with the County of Santa Clara for rental assistance in the amount of \$100,000 for the 2022-23 and 2023-24 fiscal years.

COMMUNITY ENGAGEMENT:

This report serves to inform the community.

ALTERNATIVE ACTIONS:

The City Council can choose not to approve the contract and or direct staff to pursue other alternatives.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council adopted the Community Plan to End Homelessness on December 2, 2020. On June 15, 2022, the City Council adopted the FY 2022-23 and 2023-24 Budget in which the proposed contracted amount of \$100,000 was included.

FISCAL AND RESOURCE IMPACT:

The City's FY 2022-23 and 2023-24 adopted budget anticipated this expenditure.

CEQA (California Environmental Quality Act):

This is not a project, it is an administrative activity that will not result in direct or indirect physical changes in the environment.



City of Morgan Hill, FY20-21 & FY21-22 Homelessness Prevention Dashboard



Fiscal Year 2021
7/1/2020 – 6/30/2021

Households
Served

31



Service Expense Type	Avg. Per Household	Total Assistance
Other (Insurance/Mortgage)	\$5,399.42	\$26,997.08
Rental Assistance	\$4,612.41	\$119,922.72
Security Deposit	\$3,460.25	\$6,920.50
Transportation	\$581.79	\$581.79
Utilities	\$879.59	\$1,759.18

Total Assistance
Distributed

\$156,181.27

OSH EAN Assistance
Distributed

\$13,483.00

Fiscal Year 2022
7/1/2021 – 6/30/2022*

*As of 2/28/2022

Service Expense Type	Avg. Per Household	Total Assistance
Motel	\$1,122.16	\$1,122.16
Rental Assistance	\$2,554.52	\$43,426.80
Security Deposit	\$2,069.29	\$14,485.00
Utilities	\$996.56	\$996.56

Households
Served

20



OSH EAN Assistance
Distributed

\$13,213.00

Total Assistance
Distributed

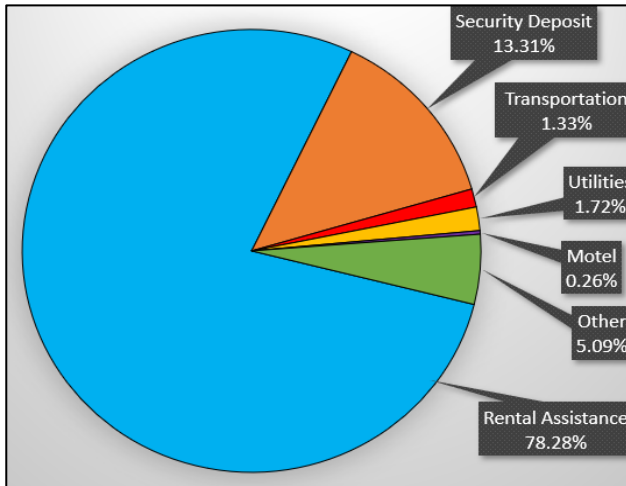
\$60,030.52



City of Morgan Hill, Homelessness Prevention System Dashboard, FY17-18 through FY21-22



Homelessness Prevention Service Expenses Distribution



Total Unduplicated Households Served Since Inception

95



Households Served Per Year

FY17-18: 14

FY18-19: 23

FY19-20: 23

FY20-21: 31

FY21-22*: 20

*(As of 2/28/2022)

Total HPS Assistance Distributed

\$425,890

Total OSH EAN Assistance Distributed

\$52,210

Service Expense Type	# of HH Assisted	Avg. Assistance per HH	Total Assistance
Rental Assistance	81	\$21,689.55	\$333,404.70
Security Deposit	23	\$4,116.11	\$56,705.50
Transportation	4	\$2,465.46	\$5,657.33
Utilities	8	\$1,414.33	\$7,310.93
Motel	3	\$913.87	\$1,122.16
Other	4	\$5,432.39	\$21,689.55
TOTAL			\$425,890.17

Service Period	OSH EAN Assistance	Total HPS Assistance
FY17-18	\$7,940.00	\$41,582.85
FY18-19	\$11,932.00	\$70,831.80
FY19-20	\$5,642.00	\$97,263.73
FY20-21	\$13,483.00	\$156,181.27
FY21-22*	\$13,213.00	\$60,030.52
*(As of 2/28/2022)		

**AGREEMENT BETWEEN THE COUNTY OF SANTA CLARA
AND THE CITY OF MORGAN HILL**

This Agreement is entered into by and between the County of Santa Clara (the “County”) and the City of Morgan Hill (the “City”), individually, a “Party” and, collectively, the “Parties,” in order to provide funding for and establish roles, rights and responsibilities related to preventing and ending homelessness in Morgan Hill.

RECITALS

- A. WHEREAS, the Parties have endorsed the Community Plan to End Homelessness and have approved resolutions finding that the problem of homelessness in Santa Clara County is a crisis;
- B. WHEREAS, the City, the County and other partners seek to reduce homelessness while sharing costs, prioritizing services to the community’s most vulnerable homeless persons, using resources strategically, and maintaining effective operational relationships;
- C. WHEREAS, in its role as the lead agency for the Santa Clara County CoC, the County’s Office of Supportive Housing (OSH) coordinates permanent housing programs, shelter and transitional housing, supportive services, a homeless management information system and supportive housing policies countywide;
- D. WHEREAS, the City seeks to leverage the County’s resources and expertise in managing supportive housing programs by allowing the County to manage homeless prevention programs for persons at-risk of homelessness residing in Morgan Hill and South County, both in the City and surrounding unincorporated areas;

In consideration of the foregoing Recitals, and the mutual promises and covenants contained in this Agreement, the Parties agree as follows:

AGREEMENT

1) TERM

This Agreement is effective on July 1, 2022 and will continue thereafter until June 30, 2024 unless extended by mutual consent or terminated as provided below in Sections (4) and (16).

2) ROLES AND RESPONSIBILITIES

- a)** The Parties shall jointly develop, implement, and monitor a Homelessness Prevention Program for homeless families with children.

(1) The City shall reimburse the County for expenses associated with the Homelessness Prevention Program in an amount not to exceed \$50,000 from July 1, 2022 through June 30, 2023 and in an amount not to exceed \$50,000 from July 1, 2023 through June 30, 2024.

(2) Funding for the Homelessness Prevention Program is contingent on annual appropriations that are approved by the City's Council and the County's Board of Supervisors.

- b)** The Parties shall each designate a Program Manager to implement the terms of this Agreement and ensure successful implementation of the Program. The City hereby designates the Assistant City Manager or his/her designee. The County hereby designates the OSH's Program Manager of Homelessness Prevention for the County.

- c)** The City's Program Manager shall:

- i)** Serve as the liaison to the City's departments, Council, and community groups;
- ii)** Participate in the development and process of selecting services providers for the Programs, if applicable;
- iii)** Participate in management meetings for the Programs, which will be held as needed;
- iv)** Actively assist the development, management and refinement of the Programs to ensure that the Programs meets their goals;
- v)** Review and process all invoices from the County; and
- vi)** Actively assist in the development, management and refinement of the Programs to ensure that the Programs are working in partnership with the faith based community, service providers, City Departments, including the Police and Fire Department to respond to the needs of those who are homeless and interfacing with City Departments on an ongoing basis.

d) The County's Program Manager shall:

- i)** Serve as the liaison to County departments;
- ii)** Provide oversight to services for families at imminent risk of homelessness, services will include one-time financial assistance.
- iii)** Lead in the development, management and refinement of the Program to ensure that the Program meets its goals; and,
- iv)** Submit quarterly reports to the City's Program Manager; and
- v)** Review and submit all invoices from the County.

e) The Parties will work collaboratively to:

- i)** Establish the Programs' referral criteria and procedures, which shall be consistent with the Santa Clara County Continuum of Care's Coordinated Assessment System (aka Coordinated Entry System) and the City's goal to end homelessness in the City; and
- ii)** Establish the Programs' success and outcome measures, which shall be consistent with the Santa Clara County Continuum of Care's Performance Measurement System; and,
- f)** The Parties will jointly monitor the Programs' expenses and outcomes. Based on the availability of the City's funds in future years and the Program's outcomes, the Parties will determine whether to continue, expand, contract or terminate the Programs at the end of the Term.

3) MUTUAL INDEMNIFICATION

In lieu of and notwithstanding the pro rata risk allocation, which might otherwise be imposed between the Parties pursuant to Government Code Section 895.6, the Parties agree that all losses or liabilities incurred by a Party shall not be shared pro rata but, instead, the County and the City agree that, pursuant to Government Code Section 895.4, each of the Parties hereto shall fully indemnify and hold each of the other Parties, their officers, board members, employees, and agents, harmless from any claim, expense or cost, damage or liability imposed for injury (as defined in Government Code Section 810.8) occurring by reason of the negligent acts or omissions or willful misconduct of the indemnifying party, its officers,

employees, or agents, under or in connection with or arising out of any work, authority or jurisdiction delegated to such party under this Agreement. No Party, nor any officer, board member, or agent thereof shall be responsible for any damage or liability occurring by reason of the negligent acts or omissions or willful misconduct of any other Parties hereto, their officers, board members, employees, or agents, under or in connection with or arising out of any work authority or jurisdiction delegated to such other Parties under this Agreement.

4) TERMINATION

- a) Either Party may terminate this Agreement at any time for convenience and without cause, upon providing a ninety-day (90) notice to the other Party at the addresses set forth in Section (15) below. The notice shall state the effective date of the termination.
- b) Either Party may terminate this Agreement at any time for cause, upon providing a thirty day (30) notice to the other Party at the addresses set forth in Section 15 below. The notice shall state the effective date of the termination.

5) ASSIGNMENT OF CLAYTON ACT, CARTWRIGHT ACT CLAIMS

City assigns to the County all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the City for sale to the County pursuant to this Agreement.

6) CALIFORNIA PUBLIC RECORDS ACT

The County is a public agency subject to the disclosure requirements of the California Public Records Act ("CPRA"). If the City's proprietary information is contained in documents or information submitted to County, and the City claims that such information falls within one or more CPRA exemptions, the City must clearly mark such information "CONFIDENTIAL AND PROPRIETARY," and identify the specific lines containing the information. In the event of a request for such information, the County will make best efforts to provide notice to the City prior to such disclosure. If the City contends that any documents are exempt from the CPRA and wishes to prevent disclosure, it is required to obtain a protective order, injunctive relief or other appropriate remedy from a court of law in Santa Clara County before the County is required to respond to the CPRA request. If the City fails to obtain such remedy within the time the County is required to respond to the CPRA request, County may disclose the requested information.

The City further agrees that it shall defend, indemnify and hold County harmless against any claim, action or litigation (including but not limited to all judgments, costs, fees, and attorney's fees) that may result from denial by County of a CPRA request for information

arising from any representation, or any action (or inaction), by the City.

7) ASSIGNMENT

No assignment of this Agreement or of the rights and obligations hereunder shall be valid without the prior written consent of the other Party.

8) ASSURANCE

Each Party represents and warrants that it has the authority to enter into this Agreement.

9) RELATIONSHIP

Nothing contained in this Agreement shall be deemed or construed by the Parties or any third party to create the relationship of partners or joint ventures between the City and the County.

10) CONFIDENTIALITY

The Parties agree that by virtue of entering into this Agreement they each will have access to certain confidential information regarding the other Party's operations. Each of the Parties shall not disclose confidential information and/or materials without the prior written consent of the other Party, unless such disclosures are required by California law. Where appropriate, resident releases will be secured before confidential resident information is exchanged.

11) ENTIRE AGREEMENT

This instrument contains the entire agreement between the Parties, and no statements, promises or inducements made by either Party or the designated agent of either Party that are not contained in this Agreement shall be valid or binding.

12) MODIFICATION

This Agreement may not be enlarged, modified, or altered, except if it is evidenced in writing, signed by the Parties and endorsed to this Agreement.

13) INSURANCE

Each Party shall, at its own expense, keep in force during the Term, Workers' Compensation Insurance, insuring against and satisfying each Party's obligations and liabilities under the workers' compensation laws of the State of California, including employer's liability insurance in the limits required by the laws of the State of California.

14) SEVERABILITY

If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in force without being impaired or invalidated in any way.

15) NOTICES

Notices to the Parties in connection with this Agreement shall be given personally or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the parties as follows:

SANTA CLARA COUNTY

Jessica Orozco
County of Santa Clara
150 W. Tasman, 2nd Floor
San Jose, CA, 95134

THE CITY OF MORGAN HILL

Rebecca Garcia
Housing Director
17575 Peak Avenue
Morgan Hill, CA 95037

Notices delivered personally will be deemed communicated as of actual receipt; mailed notices will be deemed communicated on the date of delivery.

16) AMENDMENTS

This Agreement may be amended only by a written instrument signed by the Parties.

17) CONFLICT OF INTEREST

City shall comply, and require its subcontractors to comply, with all applicable (i) requirements governing avoidance of impermissible client conflicts; and (ii) federal, state and local conflict of interest laws and regulations including, without limitation, California Government Code section 1090 et. seq., the California Political Reform Act (California Government Code section 87100 et. seq.) and the regulations of the Fair Political Practices

Commission concerning disclosure and disqualification (2 California Code of Regulations section 18700 et. seq.). Failure to do so constitutes a material breach of this Agreement and is grounds for immediate termination of this Agreement by the County.

In accepting this Agreement, City covenants that it presently has no interest, and will not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of this Agreement. City further covenants that, in the performance of this Agreement, it will not employ any city or person having such an interest. City, including but not limited to city's employees and subcontractors, may be subject to the disclosure and disqualification provisions of the California Political Reform Act of 1974 (the "Act"), that (1) requires such persons to disclose economic interests that may foreseeably be materially affected by the work performed under this Agreement, and (2) prohibits such persons from making or participating in making decisions that will foreseeably financially affect such interests.

If the disclosure provisions of the Political Reform Act are applicable to any individual providing service under this Agreement, City shall, upon execution of this Agreement, provide the County with the names, description of individual duties to be performed, and email addresses of all individuals, including but not limited to City's employees, agents and subcontractors, who could be substantively involved in "mak[ing] a governmental decision" or "serv[ing] in a staff capacity" and in that capacity participating in making governmental decisions or performing duties that would be performed by an individual in a designated position, (2 CCR 18700.3), as part of City's service to the County under this Agreement. City shall immediately notify the County of the names and email addresses of any additional individuals later assigned to provide such service to the County under this Agreement in such capacity. City shall immediately notify the County of the names of individuals working in such a capacity who, during the course of the Agreement, end their service to the County.

If the disclosure provisions of the Political Reform Act are applicable to any individual providing service under this Agreement, City shall ensure that all such individuals identified pursuant to this section understand that they are subject to the Act and shall conform to all requirements of the Act and other applicable laws and regulations, including but not limited to those listed in subpart (ii) of the first sentence of this Section VI.C including, as required, filing of Statements of Economic Interests within 30 days of commencing service pursuant to this Agreement, annually by April 1, and within 30 days of their termination of service pursuant to this Agreement.

18) WAIVER

No delay or failure to require performance of any provision of this Agreement shall constitute waiver of that provision as to that or any other instance. Any waiver granted by a Party shall be in writing and shall apply to the specific instance expressly stated.

19) NON-DISCRIMINATION

Each Party shall comply with all applicable Federal, State, and local laws and regulations, including the County's policies concerning nondiscrimination and equal opportunity in contracting. Such laws include but are not limited to the following: Title VII of the Civil Rights Act of 1964 as amended; Americans with Disabilities Act of 1990; The Rehabilitation Act of 1973 (Sections 503 and 504); California Fair Employment and Housing Act of 1973 (Government Code sections 12900 et seq.); California Labor Code Sections 1101 and 1102. Each Party shall not discriminate against any subcontractor, employee, or applicant for employment because of age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status in the recruitment, selection for training including apprenticeship, hiring, employment, utilization, promotion, layoff, rates of pay or other forms of compensation. Nor shall a Party discriminate in provision of services provided under this contract because of age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status.

20) GOVERNING LAW and VENUE

This Agreement has been executed and delivered in, and shall be construed and enforced in accordance with, the laws of the State of California. Proper venue for legal action regarding this Agreement shall be in the County of Santa Clara.

21) COUNTERPARTS

This Agreement may be executed in any number of counterparts, and all of such counterparts so executed together shall be deemed to constitute one and the same agreement, and each such counterpart shall be deemed to be an original provided all of the Parties have fully executed the Agreement.

22) THIRD PARTY BENEFICIARIES

This agreement does not, and is not intended to, confer any rights or remedies upon any person or entity other than the parties.

23) CONTRACT EXECUTION

Unless otherwise prohibited by law, all Parties agree and intend that an electronic copy of this signed Agreement, or an electronically signed version of this Agreement, shall have the same force and legal effect as if executed with an original ink signature. The Parties each represent, warrant, and agree that signatures on the documents identified in this section, whether in ink or electronic, by their respective signatories are intended to authenticate such signatures and to give rise to a valid, enforceable, and fully effective agreement when so executed by the Parties.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be entered into as of the day and year of execution of this Agreement.

COUNTY OF SANTA CLARA

Director of Procurement Designee
Date: _____

Consuelo Hernandez
Director, Office of Supportive Housing
Date: _____

APPROVED AS TO FORM AND LEGALITY

Aaron Coskey Voit
Deputy County Counsel
Date: _____

CITY OF MORGAN HILL

Christina Turner
City Manager
Date: _____

APPROVED AS TO FORM AND LEGALITY

Donald A. Larkin
City Attorney
Date: _____

CITY COUNCIL STAFF REPORT

MEETING DATE: August 17, 2022

PREPARED BY:

David Gittleson, Associate Engineer

APPROVED BY: City Manager

APPROVE PACIFIC GAS AND ELECTRIC COMPANY AGREEMENT TO UNDERGROUND DRY UTILITIES FOR THE UPPER LLAGAS CREEK FLOOD CONTROL AND HALE AVENUE EXTENSION PHASE 2B PROJECT BETWEEN WRIGHT AND MAIN AVENUES

RECOMMENDATION(S)

Approve and authorize the City Manager to execute and administer a Pacific Gas and Electric Company Agreement to underground dry utilities at the intersection of Main and Hale Avenues for a not to exceed amount of \$589,199.

Estimated Time: 10 MINUTES

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

Maintaining and Enhancing Infrastructure

2022-2023 Strategic Priorities

Transportation

Guiding Documents

Bikeways, Trails, and Recreation Master Plan

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

For decades, the City has supported Valley Water in efforts to complete the Upper Llagas Creek Flood Protection Project. Completion of this project will provide flood control for the West Little Llagas Creek running through Morgan Hill, protecting homes and businesses. Valley Water recently bid Phase 1 of the project, which includes construction south of Watsonville Road to Silveira Lake. Valley Water is working with City staff as it completes the design for Phase 2, which will include significant construction through the City. Valley Water hopes to complete design and obtain full funding for Phase 2 by this fall.

Once complete, the project will be interconnected with the City's storm drain system. The City has long planned to support funding of the improvements integrated with the project, with funding included in the Storm Drain Impact Fund (303). At this point, Valley Water intends to fund the entirety of the primary elements of the project. However, the City has identified necessary additional project elements outside the scope of Valley Water's Project, particularly as it relates to improvements near Hale Avenue between Main and Wright Avenue. In this area, the Flood Control Project will create significant changes to associated roadway, utilities, and storm drain infrastructure. City staff believe it prudent to fund the necessary improvements to ensure construction only occurs one time in this location. City funded improvements will include improvements to the roadway and sidewalks, storm drain system, and overhead utilities associated with the flood control project.

Attached is an agreement with Pacific Gas and Electric Company (PG&E) for \$589,199 to underground the overhead utilities between Wight and Main Avenues. As with most PG&E contracts, the vaults and conduits will be installed by an electrical contractor and PG&E will install the cables, transformers and remove the overhead lines and poles. The other utility companies will follow a similar procedure.

When the design is completed, the City would plan to construct the improvements in partnership with Valley Water through a cost sharing agreement, which Valley Water would serve as the lead agency. This cost sharing agreement would return for Council review at a later date. It is the goal of Valley Water and the City to have designs completed this fall for the project to be ready to bid. The section of the project on Hale between Wright and Main would not commence for at least 1 year after awarding the project, as areas to the south would need to be constructed first.

Thus, staff is requesting City Council approve the PG&E contract in advance of the Hale improvements in order to secure the price and some of the conduits and vaults can be installed and inspected with the Phase 2A project which is currently under construction.

COMMUNITY ENGAGEMENT:

The City continues to engage the community on the work happening in association with the Flood Control Project. Significant work on the first section of Hale Ave near the Main Avenue intersection is tentatively scheduled for next summer as part of the Phase 2A Project.

ALTERNATIVE ACTIONS:

The City Council could elect not to execute the PG&E agreement at this time and wait for when the design is complete. This is not recommended as PG&E may classify the project as inactive and the City will have to request PG&E to re-estimate the work, in which case the contract price will increase.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City has taken numerous actions over the last several decades in support of the

Upper Llagas Creek Flood Protection Project. Most recently:

- City Council approved design consultant work with Woodard and Curran, Inc. for \$457,271 for the design of City improvements associated with Valley Water's Flood Protection Project on June 26, 2019 and an amendment for additional scope on September 23, 2020 for an additional \$71,697.
- On November 18, 2020, the City approved a cost sharing agreement with Valley Water for the Hale Avenue Extension work within the Flood Control Project work areas for \$3.5 million.
- Approved an agreement for \$246,000 with consultant Mark Thomas and Company for support services for City improvements associated with Valley Water's flood control project.

FISCAL AND RESOURCE IMPACT:

Adequate funds are available for this work within the adopted FY 2022-23 through 2027-28 Capital Improvement Program's Llagas Flood control Project (No. 417099), funded through the Storm Drain Impact Fund (303).

CEQA (California Environmental Quality Act):

Environmental Impact Report.

Valley Water, as the lead agency, certified an Environmental Impact Report in May 2014 for the Upper Llagas Creek Flood Control Project (State Clearinghouse No. 2012102032). A link to the Final EIR can be found [here](#). As a responsible agency, the City Council is required to consider the findings from the EIR before approval of this item.



June 4, 2021

Christina Tuner
City of Morgan Hill, A Government Agency
17575 Peak Ave.
MORGAN HILL, CA 95037

RE: Contract ID: 1253234: Hale Road North

Dear Christina Tuner ,

Enclosed are gas and/or electric agreements for your project located at:

HALE ROAD, MORGAN HILL, 95038

This letter summarizes the agreements for this project.

	Non-Refundable Payment	Refundable Option*	50% Discount Option*
Electric Overhead to Underground Conversion (20B)	\$599,199.11	\$0.00	\$0.00
Less Credit (Engineering Advance, etc.)	\$10,000.00	\$0.00	\$0.00
TOTAL **	\$589,199.11	\$0.00	\$0.00
TOTAL PAYMENT DUE	\$589,199.11	OR	\$589,199.11

* Only applies to Rule 15 Refundable Amounts. Amount shown is less credit for associated Applicant work.

** The Income Tax Component of Contribution (ITCC) is included in the above charges when applicable.

Changes to the agreement, either to any of the terms or to the amount owing, are not permitted, and any change or interlineations voids the agreement. The payment of any amount less than the full amount shown will be deposited by PG&E, but PG&E will not begin any work on this contract until the amount is paid in full. The contract shall be deemed effective the date a fully executed copy is received by PG&E. Please allow 60 days from PG&E's receipt of the Agreement for construction to commence.

If the agreement is not returned to PG&E within 90 days of the date of this letter, the proposed agreement is canceled and PG&E may need to re-estimate the job.

PG&E is committed to providing timely and efficient service and we look forward to continuing to work with you on this and future projects.

Should you have any questions regarding these contracts, please contact your project manager Odeh Altwal at 408-299-1004 or OBA1@pge.com.

To complete your contract ONLINE

- Follow the instructions provided with your electronic contract
- Submit payment at pge.com/contractpayments

Sincerely,

Matthew Schneiderman
Matthew Schneiderman
Service Planning Supervisor

To complete your contract BY MAIL

- Make checks payable to: PGE or Pacific Gas and Electric
- Complete, sign and retain one copy of the agreement for your records
- Complete, sign and return one copy of the agreement with your payment to:
PG&E CFM/PPC DEPARTMENT
PO BOX 997340
Sacramento, CA 95899-7340



118358618E

Ref: Contract ID: 1253234: HALE ROAD, MORGAN HILL, 95038



Pacific Gas and Electric Company
Agreement to Perform
Tariff Schedule Related Work

DISTRIBUTION:

- ☐ APPLICANT (Original)
☐ DIVISION (Original)
☐ ACCTG. SVCS.

REFERENCES:

Notification # 118358618
Contract # 1253234
R20-PM # 31488619

City of Morgan Hill, A Government Agency (Applicant) has requested PACIFIC GAS AND ELECTRIC COMPANY, a California corporation (PG&E), to perform the tariff schedule related work as located and described in paragraph 3 herein. PG&E agrees to perform the requested work and furnish all necessary labor, equipment, materials and related facilities required therefor, subject to the following conditions:

1. Whenever part or all of the requested work is to be furnished or performed upon property other than that of Applicant, Applicant shall first procure from such owners all necessary rights-of-way and/or permits in a form satisfactory to PG&E and without cost to it.
2. Applicant shall indemnify and hold harmless PG&E, its officers, agents and employees, against all loss, damage, expense and liability resulting from injury to or death of any person, including but not limited to, employees of PG&E, Applicant or any third party, or for the loss, destruction or damage to property, including, but not limited to property of PG&E, Applicant or any third party, arising out of or in any way connected with the performance of this agreement, however caused, except to the extent caused by the active negligence or willful misconduct of PG&E, its officers, agents and employees. Applicant will, on PG&E's request, defend any suit asserting a claim covered by this indemnity. Applicant will pay all costs that may be incurred by PG&E in enforcing this indemnity, including reasonable attorneys' fees.
3. The location and requested work are described as follows: (Describe in detail the materials and facilities to be furnished and/or work to be performed by PG&E. If more space is required, use other side and attach any necessary drawings as Exhibits A, B, C, etc):

LOCATION: HALE ROAD, MORGAN HILL, 95038

DESCRIPTION OF WORK: Rule 20B - Underground existing overhead electric facilities

Engineering & Administrative Costs		\$202,872.63
Value of Applicant Design Work	(+)	\$0.00
Cost of Additional Applicant Design Plan Checks	(+)	\$0.00
Value of 20B Underground System	(+)	\$0.00
Tie-In of 20B by PG&E	(+)	\$489,251.53
PG&E Land Rights Costs	(+)	\$2,126.32
Inspection Fees	(+)	\$3,977.73
Value of 20B Trench & Excavation	(+)	\$340,658.67
Value of 20B Conduits & Substructures	(+)	\$103,706.08
Rule 20B Trench Permits Obtained by PG&E	(+)	\$1,000.00
less Cost of Equivalent Overhead System	(-)	\$302,688.70
SUB TOTAL	(=)	\$840,904.27
plus ITCC @ 24%	(+)	\$201,817.03
less 20B Underground System Installed by Applicant	(-)	\$0.00
less 20B Trench & Excavation Provided by Applicant	(-)	\$340,658.67
less 20B Conduits & Substructures Installed by Applicant	(-)	\$102,863.52
less Value of Applicant Design Work	(-)	\$0.00
Electric Rule 20B Cash Payment	(=)	\$599,199.11



118358618E

4. Applicant shall pay to PG&E, promptly upon demand by PG&E, as the complete contract price hereunder, the sum of Five Hundred Ninety-Nine Thousand One Hundred Ninety-Nine Dollars And Eleven Cents (\$599,199.11)

Upon completion of requested work, ownership shall vest in: ☒ PG&E ☐ Applicant

Executed this _____ day of _____

City of Morgan Hill, A Government Agency

Applicant

PACIFIC GAS & ELECTRIC COMPANY

By: _____

Christina Tuner
Print/Type/Name

By: Matthew Schneiderman

Matthew Schneiderman

Title: _____

Title: **Service Planning Supervisor**

Mailing Address: 17575 Peak Ave.
MORGAN HILL CA 95037



118358618E

NOTES:

1. APPLICANT TO TRENCH JOINT WITH ELECTRIC, PHONE, & CATV
2. APPLICANT TO PROVIDE ALL ELECTRIC SUBSTRUCTURES AS SHOWN.
3. APPLICANT TO PROVIDE MULE TAPE IN ALL ELECTRIC CONDUITS.
4. APPLICANT "TO PROVIDE MANDREL" AND PROVING OF ALL ELECTRIC CONDUIT FACILITIES WITH PG&E INSPECTOR STANDBY.
5. THE TOTAL NUMBER OF BENDS INSTALLED IN ANY PRIMARY DUCT RUN SHALL NOT EXCEED 300 DEGREES. THE TOTAL NUMBER OF BENDS IN ANY SECONDARY DUCT RUN IN EXCESS OF 200 FEET SHALL NOT EXCEED 300 DEGREES. ANY SECONDARY DUCT RUN EQUAL TO OR LESS THAN 200 FEET IN LENGTH MAY CONTAIN UP TO A TOTAL OF 315 DEGREES IN BENDS.
6. PG&E INSPECTOR'S PHONE # (408) 299-1024. SJSPinspections@pge.com
7. APPLICANT IS RESPONSIBLE TO ENSURE TRENCHING AND SUBSTRUCTURE INSTALLATION MEET PG&E GREENBOOK STANDARDS. GREENBOOKS ARE AVAILABLE AT YOUR LOCAL PG&E HEADQUARTERS OR CAN BE FOUND ON THE INTERNET @ WWW.PGE.COM/GREENBOOK
8. A 3' SEPARATION IS REQUIRED BETWEEN JOINT TRENCH AND WET FACILITIES.
9. APPLICANT TO FOLLOW CLEARANCE REQUIREMENTS FOR ALL NEW EQUIPMENT PER DOCUMENT 051122.
10. FLAME RESISTANT (FR) CLOTHING IS REQUIRED WHEN WORKING ON OR AROUND PG&E FACILITIES AND EQUIPMENT. SEE PG&E GREENBOOK FOR ADDITIONAL DETAILS
11. MINIMUM OF SCHEDULE 40 CONDUIT TO BE INSTALLED

JOINT POLE DATA PG200405VP

PG&E TO RELINQUISH @ LOC. 1	PG&E TO RELINQUISH @ LOC. 40	PG&E TO RELINQUISH @ LOC. 7
50'PG200038VP-2	60'Pg120080-5	45'WC2128-35
PG GRADE: 43'-15'	PG GRADE: 52'-17'	PG GRADE: 39'-11'
GT GRADE: 22'-4'	GT GRADE: 23'-5'	GT GRADE: 22'-4'
PG&E TO RELINQUISH @ LOC. 3	PG&E TO RELINQUISH @ LOC. 41	INSTALL JP#5 @ LOC 7
65'WC2531-1	50'GT03332-7	55' PG200405VP-5 CLASS 1
PG GRADE: 52'-20'	PG GRADE: 42'-14'	PG GRADE: 46'-19'
GT GRADE: 26'-8'	GT GRADE: 22'-4'	GT GRADE: 21'-3'
PG&E TO RELINQUISH @ LOC. 15	INSTALL JP#4 @ LOC 41	SET 8.5' DEEP
60'Pg120080-2	55' PG200405VP-4 CLASS 1	PG&E TO RELINQUISH @ LOC. 55
PG GRADE: 52'-22'	PG GRADE: 48'-19'	45'WC2128-36
GT GRADE: 24'-6'	GT GRADE: 23'-5'	PG GRADE: 39'-11'
PG&E TO RELINQUISH @ LOC. 17	INSTALL JP#2 @ LOC 62	GT GRADE: 22'-4'
60'PG01027-3	50' PG200405VP-2 CLASS 1	PG&E TO RELINQUISH @ LOC. 11
PG GRADE: 52'-24'	PG GRADE: 42'-15'	45'Pg120080-1
GT GRADE: 21'-3'	GT GRADE: 21'-3'	PG GRADE: 39'-11'
INSTALL JP#1 @ LOC 23	PG&E TO RELINQUISH @ LOC. 42	GT GRADE: 22'-4'
50' PG200405VP-1 CLASS 3	50'WC21342-A	INSTALL JP#6 @ LOC 11
PG GRADE: 42'-14'	PG GRADE: 42'-14'	50' PG200405VP-6 CLASS 1
GT GRADE: 22'-4'	GT GRADE: 22'-4'	GT GRADE: 22'-4'
INSTALL JA#A @ LOC 23	INSTALL JP#3 @ LOC 42	SET 8' DEEP
20M JOINT PISA ANCHOR	55' PG200405VP-3 CLASS 1	PG&E TO RELINQUISH @ LOC. 36
(1)- 7/32" PRIMARY DOWNGUY	PG GRADE: 46'-18'	45'PG020033-11
LEAD = 10"	GT GRADE: 22'-4'	PG GRADE: 39'-11'
PG&E TO RELINQUISH @ LOC. 34	SET 8.5' DEEP	GT GRADE: 22'-4'
55'-NO JP#	INSTALL JP#7 @ LOC 36	INSTALL JP#7 @ LOC 36
PG GRADE: 48'-20'	50' PG200405VP-7 CLASS 1	50' PG200405VP-7 CLASS 1
GT GRADE: 22'-4'	GT GRADE: 22'-4'	GT GRADE: 22'-4'

Underground Service Alert

Call: TOLL FREE

8 1 1

NO WORKING DAYS BEFORE YOU DIG

NO PERMIT FOR GAS CONDUITS FOR THIS PROJECT

DO THIS. MARCH 2010 - 715

UNDERGROUND SERVICE ALERT

CONTACT U.S.A. AT LEAST 48 HOURS IN ADVANCE OF TRENCHING OR EXCAVATING. CONTACT PG&E INSPECTOR AT LEAST 48 HOURS IN ADVANCE TO MAKE STANDBY ARRANGEMENTS WHEN WORKING WITHIN 5' OF ENERGIZED FACILITIES.

DEVELOPER NOTES

BEFORE BEGINNING SUBSTRUCTURE WORK, PLEASE CALL THE UNDERGROUND INSPECTOR AT LEAST 48 HOURS IN ADVANCE AT (408)299-1024. SJSPinspections@pge.com
(WORK NOT PROPERLY INSPECTED MAY BE REJECTED) IF THERE ARE ANY CONFLICTS BETWEEN SUBSTRUCTURES INSTALLATIONS AND LANDSCAPING CONTACT THE INSPECTOR PRIOR TO INSTALLATION.

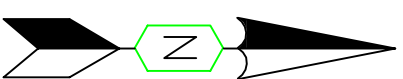
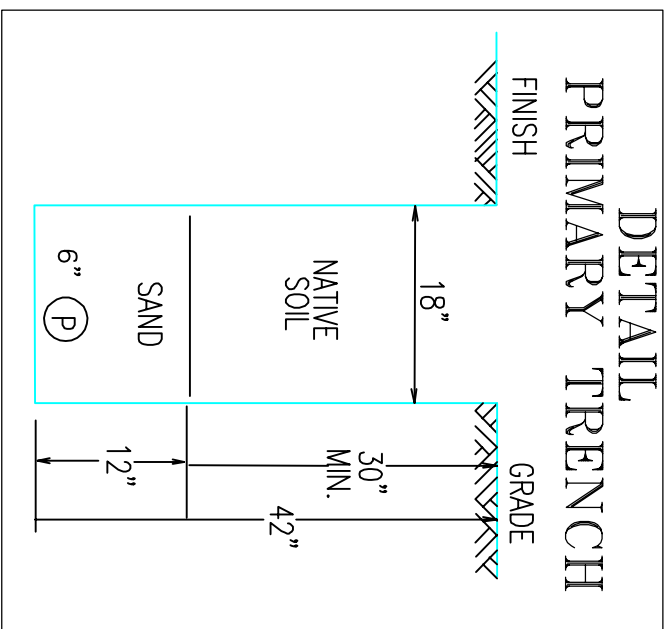
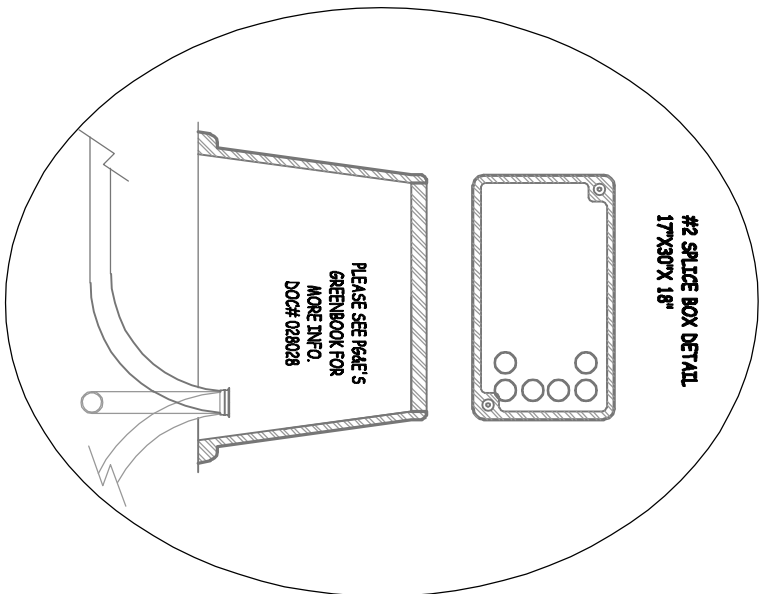
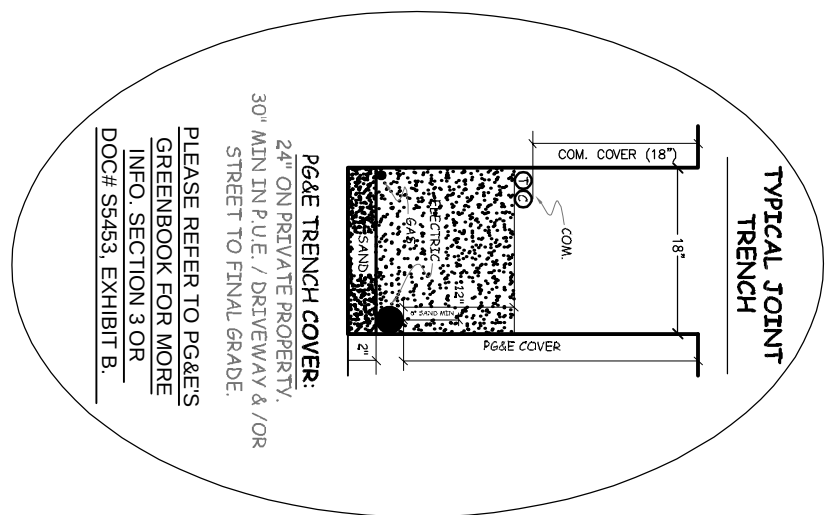
RULE 20B: OH TO UG CONVERSION FOR THE CITY OF MORGAN HILL

LEGEND UNDERGROUND INSTALLATION

- [7] = PG&E TO INSTALL 600A SWITCH-INTERRUPTER-SWITCH 4'6"x8'6"x 6" (IVT) PRIMARY ENCLOSURE BY APPLICANT AS SHOWN
- [7] = PG&E TO INSTALL 600A 3-WAY, 3-WAY SWITCH IN 4'6"x8'6"x 6" (IVT) PRIMARY ENCLOSURE BY APPLICANT AS SHOWN
- [7] = PG&E TO INSTALL 600A 3-WAY JUNCTION IN 4'6"x8'6"x 6" (IVT) PRIMARY ENCLOSURE BY APPLICANT
- [7] = PG&E TO INSTALL 600A PRIMARY SPLICES IN 4'6"x8'6"x 6" (IVT) PRIMARY ENCLOSURE BY APPLICANT AS SHOWN
- [6] = PG&E TO INSTALL 200A 3-WAY JUNCTION IN 4'6"x6"x6" (IVT) PRIMARY ENCLOSURE BY APPLICANT
- [23] = APPLICANT TO INSTALL 17"x30"x18" (IVT) SECONDARY ENCLOSURE
- PG&E TO INSTALL 50 KVA 1Ø DF-LB PM TX ON 1-WIRE, 2-BUSHINGS 36"x 52" DF-LB TRANSFORMER BOX PAD BY APPLICANT
- PG&E TO INSTALL 3-1100A EPR UG PRIMARY CABLE IN (1)-6" PVC (MINIMUM SCHEDULE 40) PRIMARY CONDUIT BY APPLICANT
- PG&E TO INSTALL 3-1100A EPR UG PRIMARY CABLE IN EXISTING 6" PRIMARY CONDUIT
- PG&E TO INSTALL 3-1/0A CONC ENCAP LLDPE PRIMARY CABLE IN (1)-4" PVC (MINIMUM SCHEDULE 40) PRIMARY CONDUIT BY APPLICANT
- PG&E TO INSTALL 1-1/0A CONC ENCAP LLDPE PRIMARY CABLE IN (1)-4" PVC (MINIMUM SCHEDULE 40) PRIMARY CONDUIT BY APPLICANT
- PG&E TO RE-ROUTE 1-2A PRIMARY CABLE IN (1)-4" PVC (MINIMUM SCHEDULE 40) PRIMARY CONDUIT BY APPLICANT
- PG&E TO INSTALL 4/0A TPX(600V) UG SECONDARY CABLE IN (1)-3" PVC (MINIMUM SCHEDULE 40) SECONDARY CONDUIT BY APPLICANT
- PG&E TO REMOVE SOLELY OWNED POLES
- PG&E TO REMOVE SOLELY OWNED ANCHORS AS SHOWN
- PG&E TO REMOVE SOLELY OWNED TRANSFORMER
- PG&E TO REMOVE OH TRANSFORMERS AS SHOWN
- PG&E TO REMOVE OH PRIMARY CONDUCTOR WITH (CN) AS SHOWN
- PG&E TO REMOVE OH PRIMARY CONDUCTOR
- PG&E TO REMOVE OH SWITCHES AS SHOWN
- PG&E TO REMOVE OH CUTOUTS AS SHOWN
- REMOVE 6A DPX OH STREETLIGHT CONDUCTOR
- INSTALL 6A DPX OH STREETLIGHT CONDUCTOR

LEGEND OVERHEAD REMOVAL

- X = PG&E TO SET POLES, AS SHOWN
- X = PG&E TO SET POLES IN THE SAME HOLE, AS SHOWN
- X = PG&E TO SET JT ANCHORS AS SHOWN
- X = PG&E TO SET SOLELY OWNED ANCHORS AS SHOWN
- X = PG&E TO RELINQUISH JOINT POLE AS SHOWN
- X = PG&E TO REMOVE CONTACTED POLES
- X = PG&E TO REMOVE SOLELY OWNED POLES
- X = PG&E TO REMOVE SOLELY OWNED ANCHORS AS SHOWN
- X = PG&E TO INSTALL 75 KVA 3Ø OH TRANSFORMER
- X = REMOVE OH TRANSFORMERS AS SHOWN
- X = REMOVE OH PRIMARY CONDUCTOR WITH (CN) AS SHOWN
- X = REMOVE 3Ø7A &1-1/0A(CN) OH PRIMARY CONDUCTOR
- X = PG&E TO REMOVE OH SWITCHES AS SHOWN
- X = PG&E TO REMOVE OH CUTOUTS AS SHOWN
- X = REMOVE 6A DPX OH STREETLIGHT CONDUCTOR
- X = INSTALL 6A DPX OH STREETLIGHT CONDUCTOR



CONSTRUCTION SKETCH COVER SHEET

HALE AVE-NORTH
MORGAN HILL
SANTA CLARA COUNTY

PACIFIC GAS & ELECTRIC COMPANY

REVISIONS		DESCRIPTION	
NO.	DATE		

PRIMARY VOLTAGE: 21 kV	VOLTAGE AREA: 1
LATITUDE: 37.172994	LONGITUDE: -121.712931
SOURCE SIDE DEVICE:	
SUB & CIRCUIT: MORGAN HILL 2111	
DSGN SAG: SSU	RAPTOR ZONE: YES
LOADING AREA: LIGHT	ARRESTER DIST: 3
CORROSION AREA: NON	INSULATION DIST: B

ENGINEERING AND PLANNING DEPT.
10900 N. BLANEY AVE.
CUPERTINO, CA. 95014



Know what's below.
Call before you dig.



NEAR LOC: NONE

EST: ROBIN WIBETO 408-725-2070	
ADE: GREG ELDER 408-725-2051	
SUPV: DAVID T. MIRANDA 925-328-5572	
REP: ODEH ALTUAL 408-299-1004	
PLNR: HARJAS SINGH 408-365-2207	
NOTIF: 118358616	JPA#: PG200405VP
SCALE: 1"=20'	DATE: 03/01/2021
PM: 31488619	SHEET: 1 OF 9 REV. 0

MATCH LINE SHEET 3

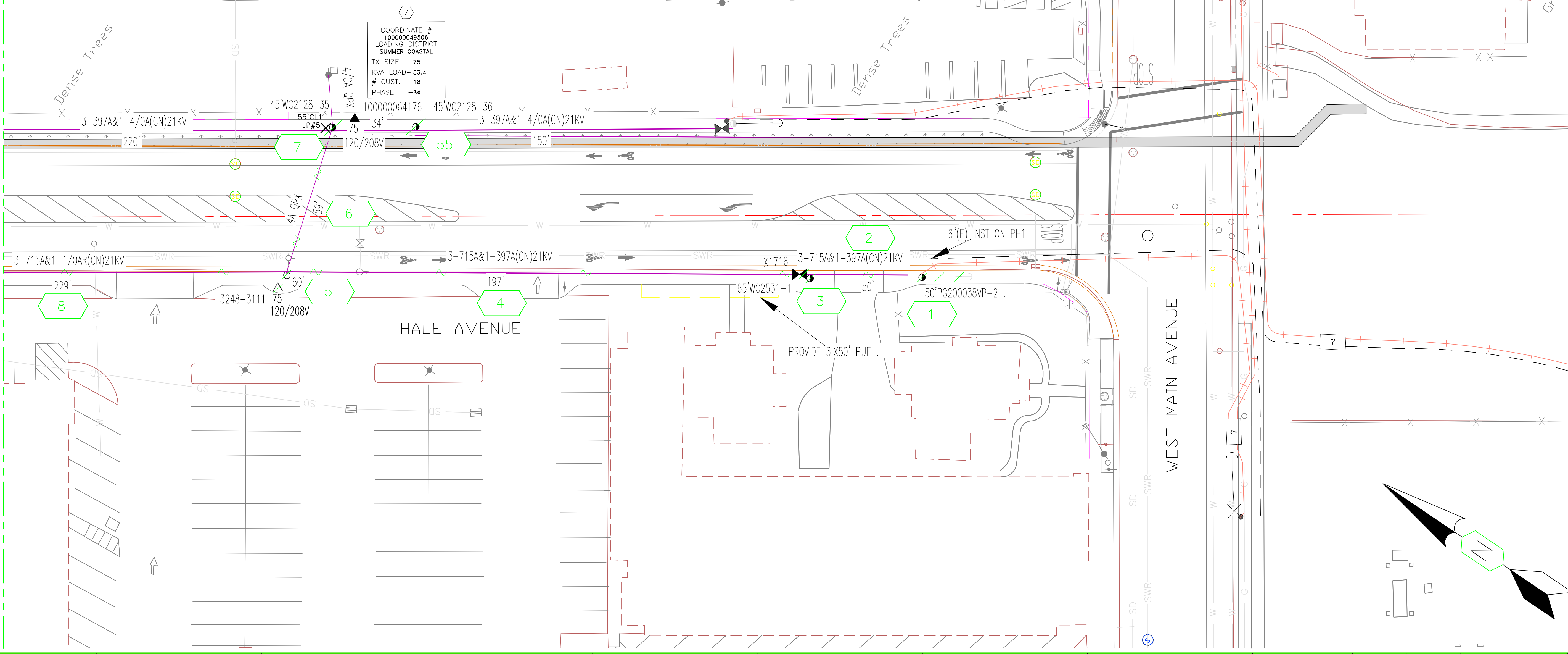
JOINT POLE DATA		
PG&E TO RELINQUISH @ LOC. 1 50'PG200038VP-2 PG GRADE: 43'-15' GT GRADE: 22'-4'	PG&E TO RELINQUISH @ LOC. 40 60'PG120080-5 PG GRADE: 52'-17' GT GRADE: 23'-5'	PG&E TO RELINQUISH @ LOC. 7 45'WC2128-35 PG GRADE: 39'-11' GT GRADE: 22'-4'
PG&E TO RELINQUISH @ LOC. 3 65'WC2531-1 PG GRADE: 52'-20' GT GRADE: 26'-8'	PG&E TO RELINQUISH @ LOC. 41 50'GT03332-7 PG GRADE: 42'-14' GT GRADE: 22'-4'	INSTALL JP#5 @ LOC 7 55' PG200405VP-5 CLASS 1 PG GRADE: 46'-19' GT GRADE: 21'-3' SET 8.5' DEEP
PG&E TO RELINQUISH @ LOC. 15 60'PG120080-2 PG GRADE: 52'-22' GT GRADE: 24'-6'	INSTALL JP#4 @ LOC 41 55' PG200405VP-4 CLASS 1 PG GRADE: 48'-19' GT GRADE: 23'-5' SET 8.5' DEEP	PG&E TO RELINQUISH @ LOC. 55 45'WC2128-36 PG GRADE: 39'-11' GT GRADE: 22'-4'
PG&E TO RELINQUISH @ LOC. 17 60'PG01027-3 PG GRADE: 52'-24' GT GRADE: 21'-3'	INSTALL JP#2 @ LOC 62 50' PG200405VP-3 CLASS 1 PG GRADE: 42'-15' GT GRADE: 21'-3' SET 8' DEEP	PG&E TO RELINQUISH @ LOC. 11 45'PG120080-1 PG GRADE: 39'-11' GT GRADE: 22'-4'
INSTALL JP#1 @ LOC 23 50' PG200405VP-1 CLASS 3 PG GRADE: 42'-14' GT GRADE: 22'-4' SET 8' DEEP	PG&E TO RELINQUISH @ LOC. 42 50'WC21342-A PG GRADE: 42'-14' GT GRADE: 22'-4'	INSTALL JP#6 @ LOC 11 50' PG200405VP-6 CLASS 1 PG GRADE: 42'-14' GT GRADE: 22'-4' SET 8' DEEP
INSTALL JA#A @ LOC 23 20M JOINT PISA ANCHOR (1)- 7/32" PRIMARY DOWNGUY LEAD = 10'	INSTALL JP#3 @ LOC 42 55' PG200405VP-3 CLASS 1 PG GRADE: 46'-18' GT GRADE: 22'-4' SET 8.5' DEEP	PG&E TO RELINQUISH @ LOC. 36 45'PG020033-11 PG GRADE: 39'-11' GT GRADE: 22'-4'
PG&E TO RELINQUISH @ LOC. 34 55'-NO JP# PG GRADE: 48'-20' GT GRADE: 22'-4'		INSTALL JP#7 @ LOC 36 50' PG200405VP-7 CLASS 1 PG GRADE: 42'-14' GT GRADE: 22'-4' SET 8' DEEP

RULE 20B: OH TO UG CONVERSION
FOR THE CITY OF MORGAN HILL



LEGEND

- PG&E TO SET POLES, AS SHOWN
- PG&E TO SET JT ANCHORS AS SHOWN
- PG&E TO SET SOLELY OWNED ANCHORS AS SHOWN
- PG&E TO RELINQUISH JOINT POLE AS SHOWN
- PG&E TO REMOVE CONTACTED POLES
- PG&E TO REMOVE SOLELY OWNED POLES
- PG&E TO REMOVE SOLELY OWNED ANCHORS AS SHOWN
- PG&E TO INSTALL 75 KVA 3Ø OH TRANSFORMER
- REMOVE OH TRANSFORMERS AS SHOWN
- REMOVE OH PRIMARY CONDUCTOR WITH (CN) AS SHOWN
- REMOVE 397A &1-1/0A(CN) OH PRIMARY CONDUCTOR
- PG&E TO REMOVE OH SWITCHES AS SHOWN
- PG&E TO REMOVE OH CUTOUTS AS SHOWN



COORDINATE: #
100000049506
LOADING DISTRICT
SUMMER COASTAL
TX SIZE - 75
KVA LOAD-53.4
CUST. - 18
PHASE - 5#

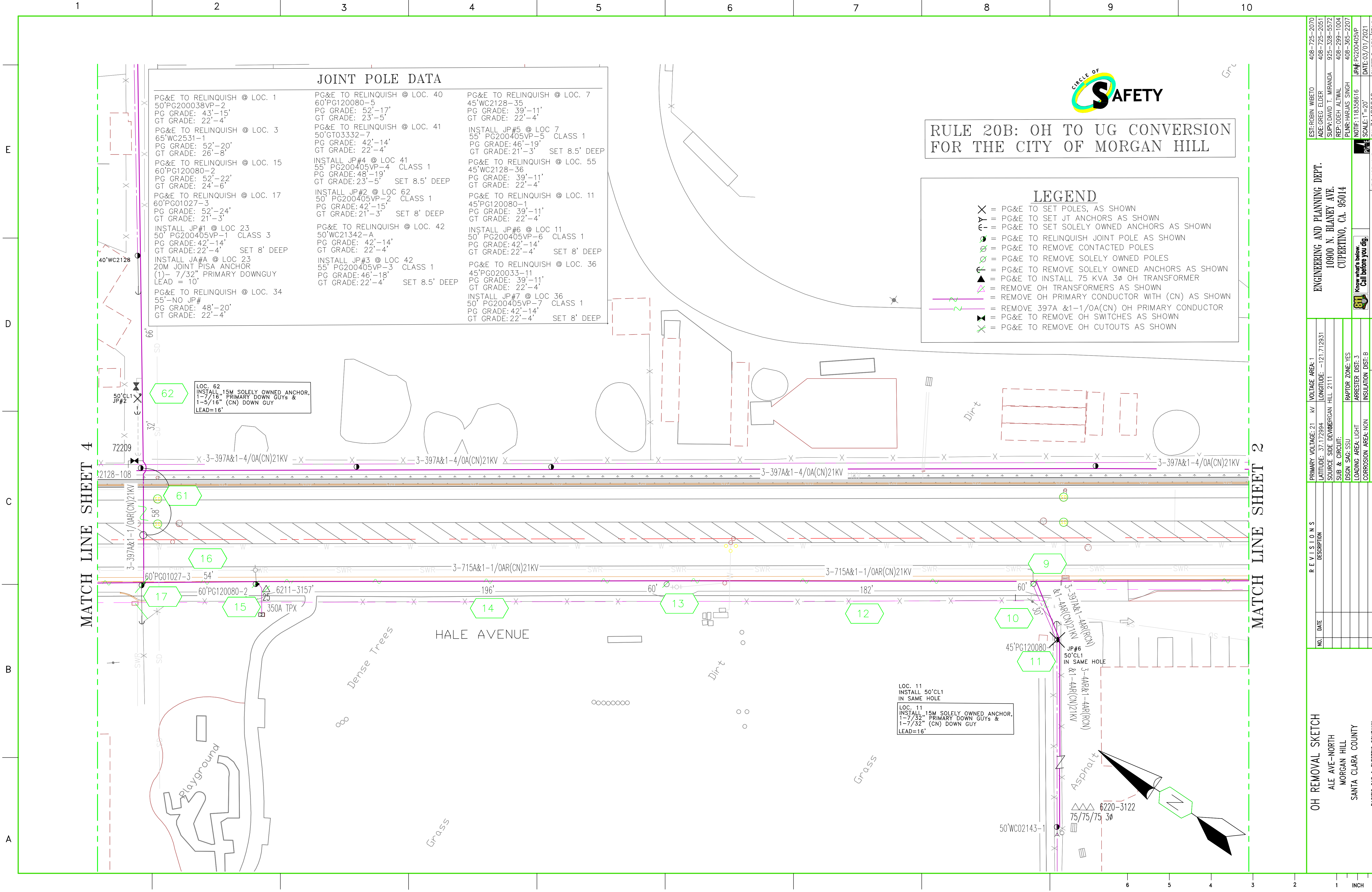
EST: ROBIN WIBETO
ADE: GREG ELDER
SUP: DAVID T. MIRANDA
REP: ODEH ALTHAL
PLNR: HARJAS SINGH
NOTICE: 118356616
JPA# PG200405VP
DATE: 03/01/2021
SHEET: 2 OF 9 REV. 0

ENGINEERING AND PLANNING DEPT.
10900 N. BLANEY AVE.
CUPERTINO, CA. 95014

OH REMOVAL SKETCH
HALE AVE-NORTH
MORGAN HILL
SANTA CLARA COUNTY
PACIFIC GAS & ELECTRIC COMPANY

NO.	DATE	DESCRIPTION
		PRIMARY VOLTAGE: 21 kV VOLTAGE AREA: 1
		LATITUDE: 37.172994 LONGITUDE: -121.712931
		SOURCE SIDE DEVICE:
		SUB & CIRCUIT: MORGAN HILL 2111
		DSGN SAG: SSU
		RAPTOR ZONE: YES
		LOADING AREA: LIGHT
		ARRESTER DIST: 3
		CORROSION AREA: NON
		INSULATION DIST: 8

NEAR LOCATION
SCALE: 1"=20'
DATE: 03/01/2021
SHEET: 2 OF 9 REV. 0



JOINT POLE DATA		
PG&E TO RELINQUISH @ LOC. 1 50'PG200038VP-2 PG GRADE: 43'-15' GT GRADE: 22'-4'	PG&E TO RELINQUISH @ LOC. 40 60'PG120080-5 PG GRADE: 52'-17' GT GRADE: 23'-5'	PG&E TO RELINQUISH @ LOC. 7 45'WC2128-35 PG GRADE: 39'-11' GT GRADE: 22'-4'
PG&E TO RELINQUISH @ LOC. 3 65'WC2531-1 PG GRADE: 52'-20' GT GRADE: 26'-8'	PG&E TO RELINQUISH @ LOC. 41 50'GT03332-7 PG GRADE: 42'-14' GT GRADE: 22'-4'	INSTALL JP#5 @ LOC 7 55' PG200405VP-5 CLASS 1 PG GRADE: 46'-19' GT GRADE: 21'-3' SET 8.5' DEEP
PG&E TO RELINQUISH @ LOC. 15 60'PG120080-2 PG GRADE: 52'-22' GT GRADE: 24'-6'	INSTALL JP#4 @ LOC 41 55' PG200405VP-4 CLASS 1 PG GRADE: 48'-19' GT GRADE: 23'-5' SET 8.5' DEEP	PG&E TO RELINQUISH @ LOC. 55 45'WC2128-36 PG GRADE: 39'-11' GT GRADE: 22'-4'
PG&E TO RELINQUISH @ LOC. 17 60'PG01027-3 PG GRADE: 52'-24' GT GRADE: 21'-3'	INSTALL JP#2 @ LOC 62 50' PG200405VP-2 CLASS 1 PG GRADE: 42'-15' GT GRADE: 21'-3' SET 8' DEEP	PG&E TO RELINQUISH @ LOC. 11 45'PG120080-1 PG GRADE: 39'-11' GT GRADE: 22'-4'
INSTALL JP#1 @ LOC 23 50' PG200405VP-1 CLASS 3 PG GRADE: 42'-14' GT GRADE: 22'-4' SET 8' DEEP	PG&E TO RELINQUISH @ LOC. 42 50'WC21342-A PG GRADE: 42'-14' GT GRADE: 22'-4'	INSTALL JP#6 @ LOC 11 50' PG200405VP-6 CLASS 1 PG GRADE: 42'-14' GT GRADE: 22'-4' SET 8' DEEP
INSTALL JA#A @ LOC 23 20M JOINT PISA ANCHOR (1)- 7/32" PRIMARY DOWNGUY LEAD = 10'	INSTALL JP#3 @ LOC 42 55' PG200405VP-3 CLASS 1 PG GRADE: 46'-18' GT GRADE: 22'-4' SET 8.5' DEEP	PG&E TO RELINQUISH @ LOC. 36 45'PG020033-11 PG GRADE: 39'-11' GT GRADE: 22'-4'
PG&E TO RELINQUISH @ LOC. 34 55'-NO JP# PG GRADE: 48'-20' GT GRADE: 22'-4'		INSTALL JP#7 @ LOC 36 50' PG200405VP-7 CLASS 1 PG GRADE: 42'-14' GT GRADE: 22'-4' SET 8' DEEP

RULE 20B: OH TO UG CONVERSION
FOR THE CITY OF MORGAN HILL

LEGEND

X

= PG&E TO SET POLES, AS SHOWN

Y

= PG&E TO SET JT ANCHORS AS SHOWN

U

= PG&E TO SET SOLELY OWNED ANCHORS AS SHOWN

●

= PG&E TO RELINQUISH JOINT POLE AS SHOWN

○

= PG&E TO REMOVE CONTACTED POLES

○

= PG&E TO REMOVE SOLELY OWNED POLES

○

= PG&E TO REMOVE SOLELY OWNED ANCHORS AS SHOWN

▲

= PG&E TO INSTALL 75 KVA 3Ø OH TRANSFORMER

△

= REMOVE OH TRANSFORMERS AS SHOWN

—

= REMOVE OH PRIMARY CONDUCTOR WITH (CN) AS SHOWN

—

= REMOVE 397A &1-1/OA(CN) OH PRIMARY CONDUCTOR

⊗

= PG&E TO REMOVE OH SWITCHES AS SHOWN

×

= PG&E TO REMOVE OH CUTOUTS AS SHOWN

OH REMOVAL SKETCH

ALE AVE-NORTH

MORGAN HILL

SANTA CLARA COUNTY

PACIFIC GAS & ELECTRIC COMPANY

ENGINEERING AND PLANNING DEPT.

10900 N. BLANEY AVE.

CUPERTINO, CA. 95014

EST:ROBIN WIBETO

408-725-2070

ADD:GREG ELDER

408-725-2051

SUP:DAVID T. MIRANDA

925-328-5572

REP:ODEH ALTAL

408-299-1004

PLNR:HAJIAS SINGH

408-365-2207

NOTICE:118356616

JP#PG200405VP

SCALE:1"=20'

DATE:03/01/2021

PM:37488619

SHEET:3 OF 9 REV. 0

REVISIONS

NO.

DATE

DESCRIPTION

PRIMARY VOLTAGE: 21 kV

VOLTAGE AREA: 1

LATITUDE: 37.172994

LONGITUDE: -121.712931

SOURCE: SIDE VIEW/MORGAN HILL 2111

SUB & CIRCUIT:

DSGN: SAG, SSU

RAPTOR ZONE: YES

LOADING AREA: LIGHT

ARRESTER: DIST: 3

CORROSION AREA: NON

INSULATION: DIST: 8

E

D

C

B

A

MATCH LINE SHEET 5

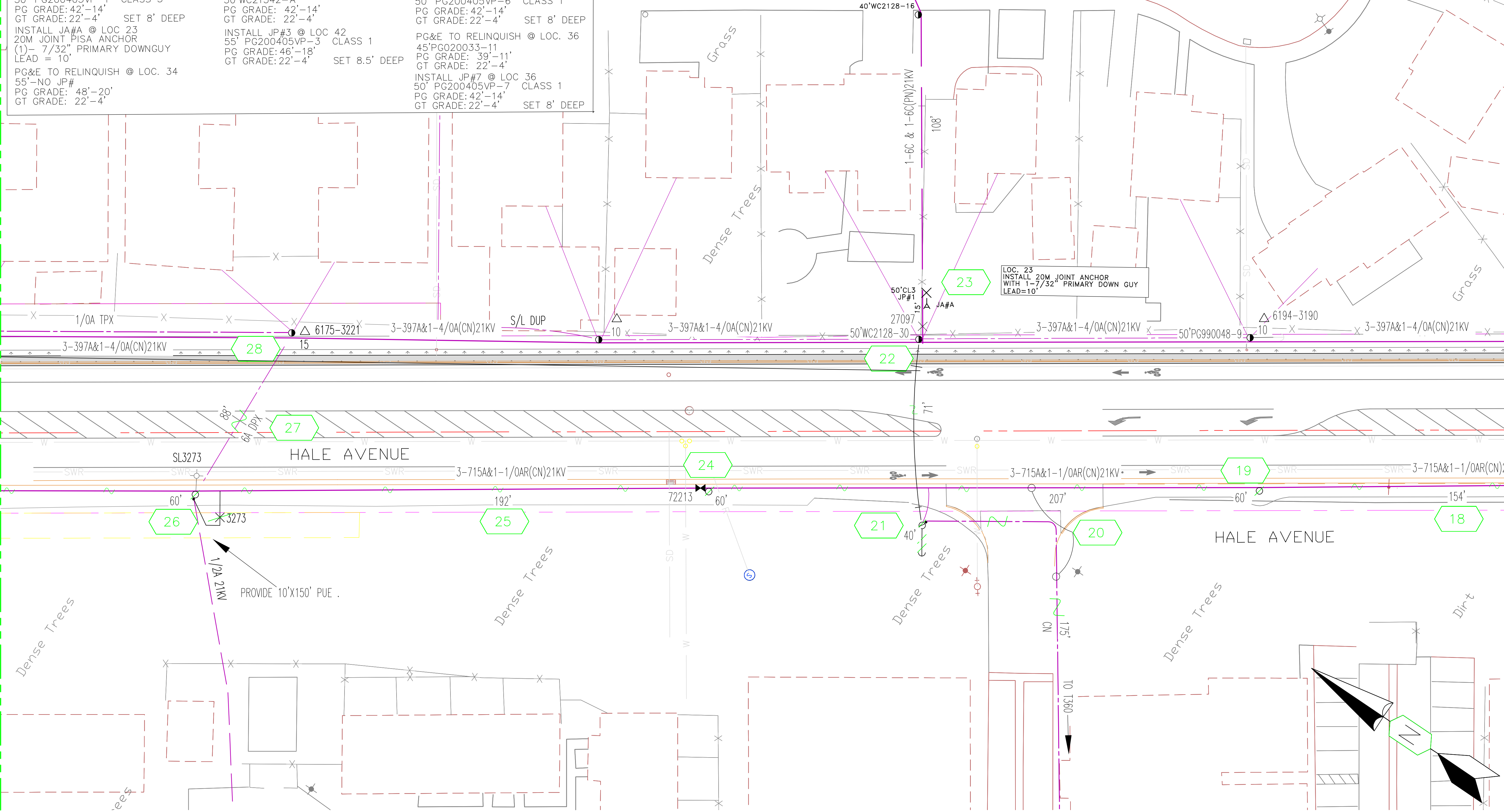
MATCH LINE SHEET 3

JOINT POLE DATA		
PG&E TO RELINQUISH @ LOC. 1 50'PG200038VP-2 PG GRADE: 43'-15' GT GRADE: 22'-4'	PG&E TO RELINQUISH @ LOC. 40 60'PG120080-5 PG GRADE: 52'-17' GT GRADE: 23'-5'	PG&E TO RELINQUISH @ LOC. 7 45'WC2128-35 PG GRADE: 39'-11' GT GRADE: 22'-4'
PG&E TO RELINQUISH @ LOC. 3 65'WC2531-1 PG GRADE: 52'-20' GT GRADE: 26'-8'	PG&E TO RELINQUISH @ LOC. 41 50'GT03332-7 PG GRADE: 42'-14' GT GRADE: 22'-4'	INSTALL JP#5 @ LOC 7 55' PG200405VP-5 CLASS 1 PG GRADE: 46'-19' GT GRADE: 21'-3' SET 8.5' DEEP
PG&E TO RELINQUISH @ LOC. 15 60'PG120080-2 PG GRADE: 52'-22' GT GRADE: 24'-6'	INSTALL JP#4 @ LOC 41 55' PG200405VP-4 CLASS 1 PG GRADE: 48'-19' GT GRADE: 23'-5' SET 8.5' DEEP	PG&E TO RELINQUISH @ LOC. 55 45'WC2128-36 PG GRADE: 39'-11' GT GRADE: 22'-4'
PG&E TO RELINQUISH @ LOC. 17 60'PG01027-3 PG GRADE: 52'-24' GT GRADE: 21'-3'	INSTALL JP#2 @ LOC 62 50' PG200405VP-2 CLASS 1 PG GRADE: 42'-15' GT GRADE: 21'-3' SET 8' DEEP	PG&E TO RELINQUISH @ LOC. 11 45'PG120080-1 PG GRADE: 39'-11' GT GRADE: 22'-4'
INSTALL JP#1 @ LOC 23 50' PG200405VP-1 CLASS 3 PG GRADE: 42'-14' GT GRADE: 22'-4' SET 8' DEEP	PG&E TO RELINQUISH @ LOC. 42 50'WC21342-A PG GRADE: 42'-14' GT GRADE: 22'-4'	INSTALL JP#6 @ LOC 11 50' PG200405VP-6 CLASS 1 PG GRADE: 42'-14' GT GRADE: 22'-4' SET 8' DEEP
INSTALL JA#A @ LOC 23 20M JOINT PISA ANCHOR (1)- 7/32" PRIMARY DOWNGUY LEAD = 10'	INSTALL JP#3 @ LOC 42 55' PG200405VP-3 CLASS 1 PG GRADE: 46'-18' GT GRADE: 22'-4' SET 8.5' DEEP	PG&E TO RELINQUISH @ LOC. 36 45'PG020033-11 PG GRADE: 39'-11' GT GRADE: 22'-4'
PG&E TO RELINQUISH @ LOC. 34 55'-NO JP# PG GRADE: 48'-20' GT GRADE: 22'-4'		INSTALL JP#7 @ LOC 36 50' PG200405VP-7 CLASS 1 PG GRADE: 42'-14' GT GRADE: 22'-4' SET 8' DEEP



RULE 20B: OH TO UG CONVERSION
FOR THE CITY OF MORGAN HILL

LEGEND	
X	= PG&E TO SET POLES, AS SHOWN
Y	= PG&E TO SET JT ANCHORS AS SHOWN
Y	= PG&E TO SET SOLELY OWNED ANCHORS AS SHOWN
●	= PG&E TO RELINQUISH JOINT POLE AS SHOWN
○	= PG&E TO REMOVE CONTACTED POLES
○	= PG&E TO REMOVE SOLELY OWNED POLES
↑	= PG&E TO REMOVE SOLELY OWNED ANCHORS AS SHOWN
▲	= PG&E TO INSTALL 75 KVA 3Ø OH TRANSFORMER
△	= REMOVE OH TRANSFORMERS AS SHOWN
△	= REMOVE OH PRIMARY CONDUCTOR WITH (CN) AS SHOWN
△	= REMOVE 397A &1-1/0A(CN) OH PRIMARY CONDUCTOR
△	= PG&E TO REMOVE OH SWITCHES AS SHOWN
X	= PG&E TO REMOVE OH CUTOUTS AS SHOWN



EST: ROBIN WIBETO		408-725-2070
ADE: GREG EIDER		408-725-2061
SUPV: DAVID T. MIRANDA		925-328-5572
REP: ODEH ALTAH		408-299-1004
PLNR: HARJAS SINGH		408-365-2207
NOTICE: 118356616		JP# PG200405VP
SCALE: 1" = 20'		DATE: 03/01/2021
SHEET: 4 OF 9		REV: 0

ENGINEERING AND PLANNING DEPT.		10900 N. BLANEY AVE.
		CUPERTINO, CA. 95014
Know what's below		Call before you dig.
NEAR LOCATION		PM: 317488619

PRIMARY VOLTAGE: 21 kV		VOLTAGE AREA: 1
LATITUDE: 37.172994		LONGITUDE: -121.712931
SOURCE SIDE DEVICE:		SUB & CIRCUIT: MORGAN HILL 2111
DSGN SAG: SSU		RAPTOR ZONE: YES
LOADING AREA: LIGHT		ARRESTER DIST: 3
CORROSION AREA: NON		INSULATION DIST: 8

OH REMOVAL SKETCH		PACIFIC GAS & ELECTRIC COMPANY
HALE AVE-NORTH		
MORGAN HILL		
SANTA CLARA COUNTY		



RULE 20B: OH TO UG CONVERSION
FOR THE CITY OF MORGAN HILL

JOINT POLE DATA

PG&E TO RELINQUISH @ LOC. 1 50'PG200038VP-2 PG GRADE: 43'-15' GT GRADE: 22'-4'	PG&E TO RELINQUISH @ LOC. 40 60'PG120080-5 PG GRADE: 52'-17' GT GRADE: 23'-5'	PG&E TO RELINQUISH @ LOC. 7 45'WC2128-35 PG GRADE: 39'-11' GT GRADE: 22'-4'
PG&E TO RELINQUISH @ LOC. 3 65'WC2531-1 PG GRADE: 52'-20' GT GRADE: 26'-8'	PG&E TO RELINQUISH @ LOC. 41 50'GT03332-7 PG GRADE: 42'-14' GT GRADE: 22'-4'	INSTALL JP#5 @ LOC 7 55' PG200405VP-5 CLASS 1 PG GRADE: 46'-19' GT GRADE: 21'-3' SET 8.5' DEEP
PG&E TO RELINQUISH @ LOC. 15 60'PG120080-2 PG GRADE: 52'-22' GT GRADE: 24'-6'	INSTALL JP#4 @ LOC 41 55' PG200405VP-4 CLASS 1 PG GRADE: 48'-19' GT GRADE: 23'-5' SET 8.5' DEEP	PG&E TO RELINQUISH @ LOC. 55 45'WC2128-36 PG GRADE: 39'-11' GT GRADE: 22'-4'
PG&E TO RELINQUISH @ LOC. 17 60'PG01027-3 PG GRADE: 52'-24' GT GRADE: 21'-3'	INSTALL JP#2 @ LOC 62 50' PG200405VP-2 CLASS 1 PG GRADE: 42'-15' GT GRADE: 21'-3' SET 8' DEEP	PG&E TO RELINQUISH @ LOC. 11 45'PG120080-1 PG GRADE: 39'-11' GT GRADE: 22'-4'
INSTALL JP#1 @ LOC 23 50' PG200405VP-1 CLASS 3 PG GRADE: 42'-14' GT GRADE: 22'-4' SET 8' DEEP	PG&E TO RELINQUISH @ LOC. 42 50'WC21342-A PG GRADE: 42'-14' GT GRADE: 22'-4'	INSTALL JP#6 @ LOC 11 50' PG200405VP-6 CLASS 1 PG GRADE: 42'-14' GT GRADE: 22'-4' SET 8' DEEP
INSTALL JA#A @ LOC 23 20M JOINT PISA ANCHOR (1)- 7/32" PRIMARY DOWNGUY LEAD = 10'	INSTALL JP#3 @ LOC 42 55' PG200405VP-3 CLASS 1 PG GRADE: 46'-18' GT GRADE: 22'-4' SET 8.5' DEEP	PG&E TO RELINQUISH @ LOC. 36 45'PG020033-11 PG GRADE: 39'-11' GT GRADE: 22'-4'
PG&E TO RELINQUISH @ LOC. 34 55'-NO JP# PG GRADE: 48'-20' GT GRADE: 22'-4'		INSTALL JP#7 @ LOC 36 50' PG200405VP-7 CLASS 1 PG GRADE: 42'-14' GT GRADE: 22'-4' SET 8' DEEP

LEGEND

- PG&E TO SET POLE IN SAME HOLE, AS SHOWN
- PG&E TO SET POLES, AS SHOWN
- PG&E TO SET JT ANCHORS AS SHOWN
- PG&E TO SET SOLELY OWNED ANCHORS AS SHOWN
- PG&E TO RELINQUISH JOINT POLE AS SHOWN
- PG&E TO REMOVE CONTACTED POLES
- PG&E TO REMOVE SOLELY OWNED POLES
- PG&E TO REMOVE SOLELY OWNED ANCHORS AS SHOWN
- PG&E TO INSTALL 75 KVA 3Ø OH TRANSFORMER
- REMOVE OH TRANSFORMERS AS SHOWN
- REMOVE OH PRIMARY CONDUCTOR WITH (CN) AS SHOWN
- REMOVE 397A &1-1/OA(CN) OH PRIMARY CONDUCTOR
- PG&E TO REMOVE OH SWITCHES AS SHOWN
- PG&E TO REMOVE OH CUTOUTS AS SHOWN
- REMOVE 6A DPX OH STREETLIGHT CONDUCTOR
- INSTALL 6A DPX OH STREETLIGHT CONDUCTOR

ENGINEERING AND PLANNING DEPT.
10000 N. BLANEY AVE.
CUPERTINO, CA. 95014

NO.	DATE	DESCRIPTION	REVISIONS
1	12/17/2021	PRIMARY VOLTAGE: 21 kV VOLTAGE AREA: 1	
2	12/17/2021	LATITUDE: 37.172994 LONGITUDE: -121.712931	
3	12/17/2021	SOURCE SIDE DEVICE: SUB & CIRCUIT: MORGAN HILL 2111	
4	12/17/2021	DSGN SAG: SSU RAPTOR ZONE: YES	
5	12/17/2021	LOADING AREA: LIGHT ARRESTER DIST: 3	
6	12/17/2021	CORROSION AREA: NON INSULATION DIST: 8	

OH REMOVAL SKETCH
HALE AVE-NORTH
MORGAN HILL
SANTA CLARA COUNTY

PACIFIC GAS & ELECTRIC COMPANY

RULE 20B: OH TO UG CONVERSION
FOR THE CITY OF MORGAN HILL

NOTES:

1. APPLICANT TO TRENCH JOINT WITH ELECTRIC, PHONE, & CATV
2. APPLICANT TO PROVIDE ALL ELECTRIC SUBSTRUCTURES AS SHOWN.
3. APPLICANT TO PROVIDE MULE TAPE IN ALL ELECTRIC CONDUITS.
4. APPLICANT "TO PROVIDE MANDREL" AND PROVING OF ALL ELECTRIC CONDUIT FACILITIES WITH PG&E INSPECTOR STANDBY.
5. THE TOTAL NUMBER OF BENDS INSTALLED IN ANY PRIMARY DUCT RUN SHALL NOT EXCEED 300 DEGREES. THE TOTAL NUMBER OF BENDS IN ANY SECONDARY DUCT RUN IN EXCESS OF 200 FEET SHALL NOT EXCEED 300 DEGREES. ANY SECONDARY DUCT RUN EQUAL TO OR LESS THAN 200 FEET IN LENGTH MAY CONTAIN UP TO A TOTAL OF 315 DEGREES IN BENDS.
6. PG&E INSPECTOR'S PHONE # (408) 299-1024. SJSPinspections@pge.com
7. APPLICANT IS RESPONSIBLE TO ENSURE TRENCHING AND SUBSTRUCTURE INSTALLATION MEET PG&E GREENBOOK STANDARDS. GREENBOOKS ARE AVAILABLE AT YOUR LOCAL PG&E HEADQUARTERS OR CAN BE FOUND ON THE INTERNET @ WWW.PGE.COM/GREENBOOK
8. A 3' SEPARATION IS REQUIRED BETWEEN JOINT TRENCH AND WET FACILITIES.
9. APPLICANT TO FOLLOW CLEARANCE REQUIREMENTS FOR ALL NEW EQUIPMENT PER DOCUMENT 051122.
10. FLAME RESISTANT (FR) CLOTHING IS REQUIRED WHEN WORKING ON OR AROUND PG&E FACILITIES AND EQUIPMENT. SEE PG&E GREENBOOK FOR ADDITIONAL DETAILS
11. MINIMUM OF SCHEDULE 40 CONDUIT TO BE INSTALLED



UNDERGROUND SERVICE ALERT

CONTACT U.S.A. AT LEAST 48 HOURS IN ADVANCE OF TRENCHING OR EXCAVATING. CONTACT PG&E INSPECTOR AT LEAST 48 HOURS IN ADVANCE TO MAKE STANDBY ARRANGEMENTS WHEN WORKING WITHIN 5' OF ENERGIZED FACILITIES.

DEVELOPER NOTES

BEFORE BEGINNING SUBSTRUCTURE WORK, PLEASE CALL THE UNDERGROUND INSPECTOR AT LEAST 48 HOURS IN ADVANCE AT (408)365-2166. (WORK NOT PROPERLY INSPECTED MAY BE REJECTED) IF THERE ARE ANY CONFLICTS BETWEEN SUBSTRUCTURES INSTALLATIONS AND LANDSCAPING CONTACT THE INSPECTOR PRIOR TO INSTALLATION.

LEGEND

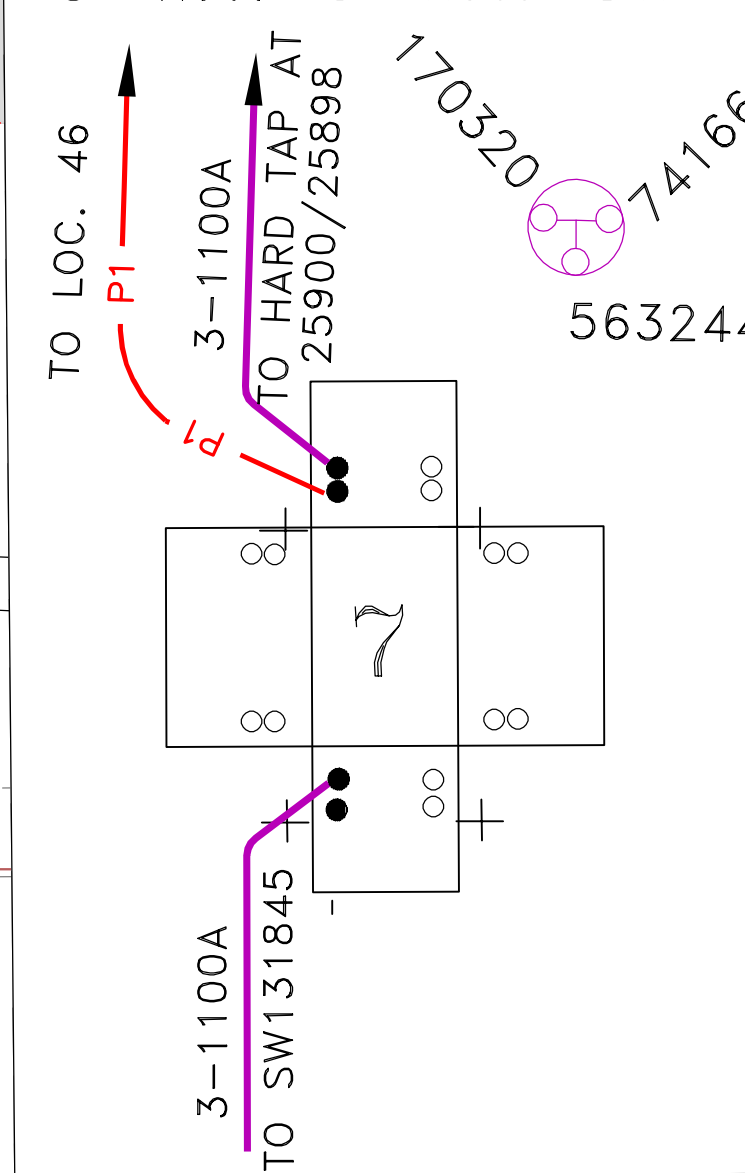
- PG&E TO INSTALL 600A SWITCH-INTERRUPTER-SWITCH 4'6"x8'6"x 6' (IVT) PRIMARY ENCLOSURE BY APPLICANT AS SHOWN
- PG&E TO INSTALL 600A 3-WAY, 3-WAY SWITCH IN 4'6"x8'6"x 6' (IVT) PRIMARY ENCLOSURE BY APPLICANT AS SHOWN
- PG&E TO INSTALL 600A 3-WAY JUNCTION IN 4'6"x8'6"x 6' (IVT) PRIMARY ENCLOSURE BY APPLICANT
- PG&E TO INSTALL 600A PRIMARY SPLICES IN 4'6"x8'6"x 6' (IVT) PRIMARY ENCLOSURE BY APPLICANT AS SHOWN
- PG&E TO INSTALL 200A 3-WAY JUNCTION IN 4'6"x6"x6' (IVT) PRIMARY ENCLOSURE BY APPLICANT
- APPLICANT TO INSTALL 17"x30"x18" (IVT) SECONDARY ENCLOSURE
- PG&E TO INSTALL 50 KVA 1Ø DF-LB PM TX ON 1-WIRE, 2-BUSHINGS, 36"x52" DF-LB TRANSFORMER BOX PAD BY APPLICANT
- PG&E TO INSTALL 3-1100A EPR UG PRIMARY CABLE IN (1)-6" PVC (MINIMUM SCHEDULE 40) PRIMARY CONDUIT BY APPLICANT
- PG&E TO INSTALL 3-1100A EPR UG PRIMARY CABLE IN EXISTING 6" PRIMARY CONDUIT
- PG&E TO INSTALL 3-1/0A CONC ENCAP LLDPPE PRIMARY CABLE IN (1)-4" PVC (MINIMUM SCHEDULE 40) PRIMARY CONDUIT BY APPLICANT
- PG&E TO INSTALL 1-1/0A CONC ENCAP LLDPPE PRIMARY CABLE IN (1)-4" PVC (MINIMUM SCHEDULE 40) PRIMARY CONDUIT BY APPLICANT
- PG&E TO RE-ROUTE 1-2A PRIMARY CABLE IN (1)-4" PVC (MINIMUM SCHEDULE 40) PRIMARY CONDUIT BY APPLICANT
- PG&E TO EXISTING 3-1100A EPR UG PRIMARY CABLE IN EXISTING 6" PRIMARY CONDUIT
- PG&E TO INSTALL 4/0A TPX(600V) UG SECONDARY CABLE IN (1)-3" PVC (MINIMUM SCHEDULE 40) SECONDARY CONDUIT BY APPLICANT
- APPLICANT TO INSTALL (1)-4" PVC (MINIMUM SCHEDULE 40) PRIMARY CONDUIT-SPARE
- APPLICANT TO INSTALL (1)-6" PVC (MINIMUM SCHEDULE 40) PRIMARY CONDUIT-SPARE

POLES & CONDUCTOR ON THE EAST SIDE OF HALE AVE. TO REMAIN

CONNECT NEW 6" SPARE TO EX. 6" SPARE. (INSTALLED ON PHASE 1)

LOC. 43

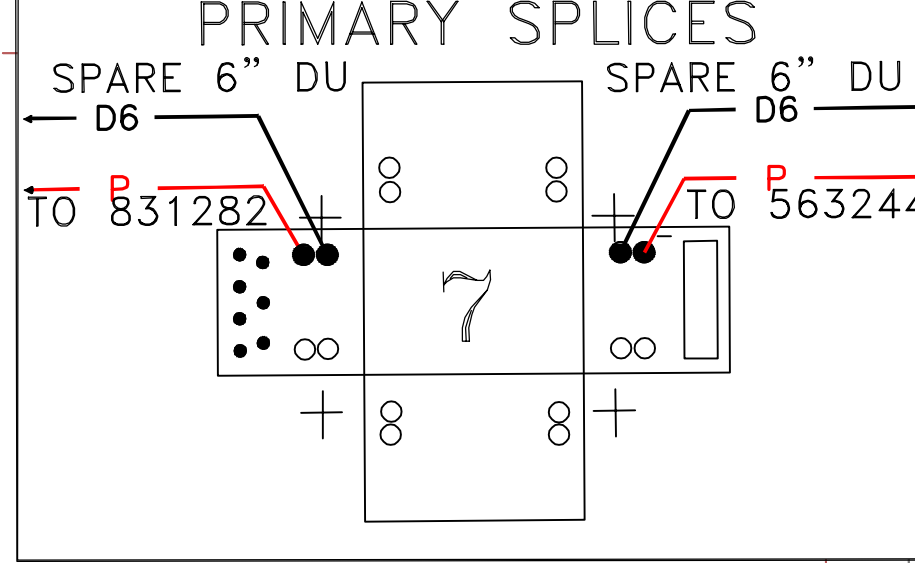
DETAIL: EXISTING BOX
3-WAY 3-WAY SW



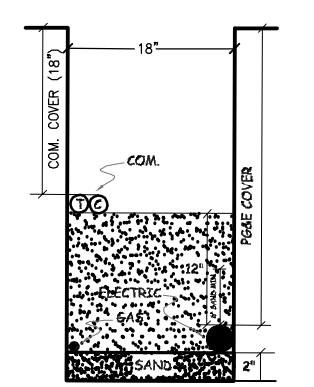
APPLICANT TO EXPOSE EXISTING 6" CONDUIT. PG&E TO REMOVE EXISTING PRIMARY CABLE. PG&E TO CONNECT EXISTING 6" DUCT TO NEW 6" DUCT BY APPLICANT. COORDINATE WITH PG&E

LOC. 46

DETAIL: NEW BOX
PRIMARY SPLICES

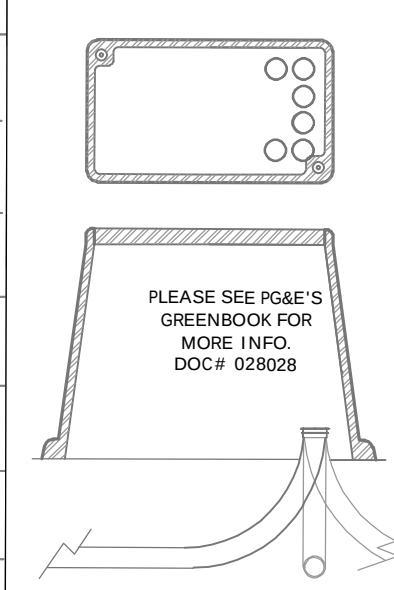


TYPICAL JOINT TRENCH

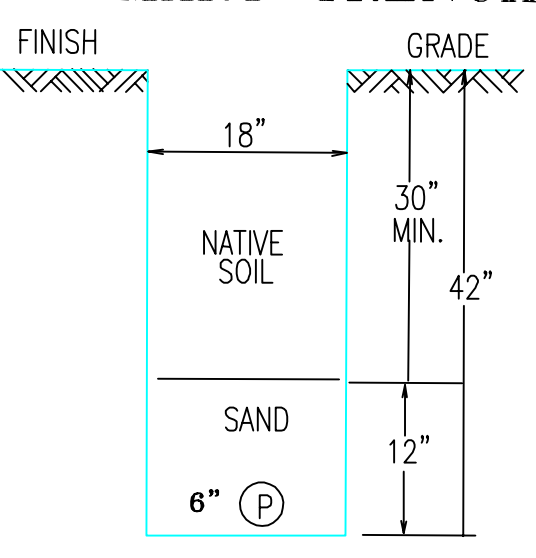


PG&E TRENCH COVER:
24" ON PRIVATE PROPERTY,
30" MIN IN P.U.E. / DRIVEWAY &
STREET TO FINAL GRADE.
PLEASE REFER TO PG&E'S
GREENBOOK FOR MORE
INFO. SECTION 3 OR
DOC# S5453, EXHIBIT B.

#2 SPLICE BOX DETAIL
17"x30"x 18"



DETAIL
PRIMARY TRENCH



MATCH LINE SHEET 7

ENGINEERING AND PLANNING DEPT.
10900 N. BLANEY AVE.
CUPERTINO, CA. 95014

PRIMARY VOLTAGE: 21 kV
LATITUDE: 37.172994
SOURCE: SIDE DEVICE:
SUB & CIRCUIT: MORGAN HILL 2111
DSGN: SAG: SSU
LOADING AREA: LIGHT
CORROSION AREA: NON

REVISIONS
NO. DATE DESCRIPTION

UG CONSTRUCTION SKETCH
HALE AVE-NORTH
MORGAN HILL
SANTA CLARA COUNTY
PACIFIC GAS & ELECTRIC COMPANY

NOTES:

1. APPLICANT TO TRENCH JOINT WITH ELECTRIC, PHONE, & CATV
2. APPLICANT TO PROVIDE ALL ELECTRIC SUBSTRUCTURES AS SHOWN.
3. APPLICANT TO PROVIDE MULE TAPE IN ALL ELECTRIC CONDUITS.
4. APPLICANT "TO PROVIDE MANDREL" AND PROVING OF ALL ELECTRIC CONDUIT FACILITIES WITH PG&E INSPECTOR STANDBY.
5. THE TOTAL NUMBER OF BENDS INSTALLED IN ANY PRIMARY DUCT RUN SHALL NOT EXCEED 300 DEGREES. THE TOTAL NUMBER OF BENDS IN ANY SECONDARY DUCT RUN IN EXCESS OF 200 FEET SHALL NOT EXCEED 300 DEGREES. ANY SECONDARY DUCT RUN EQUAL TO OR LESS THAN 200 FEET IN LENGTH MAY CONTAIN UP TO A TOTAL OF 315 DEGREES IN BENDS.
6. PG&E INSPECTOR'S PHONE # (408) 299-1024
7. APPLICANT IS RESPONSIBLE TO ENSURE TRENCHING AND SUBSTRUCTURE INSTALLATION MEET PG&E GREENBOOK STANDARDS. GREENBOOKS ARE AVAILABLE AT YOUR LOCAL PG&E HEADQUARTERS OR CAN BE FOUND ON THE INTERNET @ WWW.PGE.COM/GREENBOOK
8. A 3' SEPARATION IS REQUIRED BETWEEN JOINT TRENCH AND WET FACILITIES.
9. APPLICANT TO FOLLOW CLEARANCE REQUIREMENTS FOR ALL NEW EQUIPMENT PER DOCUMENT 051122.
10. FLAME RESISTANT (FR) CLOTHING IS REQUIRED WHEN WORKING ON OR AROUND PG&E FACILITIES AND EQUIPMENT. SEE PG&E GREENBOOK FOR ADDITIONAL DETAILS
11. MINIMUM OF SCHEDULE 40 CINDUIT TO BE INSTALLED

RULE 20B: OH TO UG CONVERSION FOR THE CITY OF MORGAN HILL



UNDERGROUND SERVICE ALERT

CONTACT U.S.A. AT LEAST 48 HOURS IN ADVANCE OF TRENCHING OR EXCAVATING. CONTACT PG&E INSPECTOR AT LEAST 48 HOURS IN ADVANCE TO MAKE STANDBY ARRANGEMENTS WHEN WORKING WITHIN 5' OF ENERGIZED FACILITIES.

DEVELOPER NOTES

BEFORE BEGINNING SUBSTRUCTURE WORK, PLEASE CALL THE UNDERGROUND INSPECTOR AT LEAST 48 HOURS IN ADVANCE AT (408)365-2166. (WORK NOT PROPERLY INSPECTED MAY BE REJECTED) IF THERE ARE ANY CONFLICTS BETWEEN SUBSTRUCTURES INSTALLATIONS AND LANDSCAPING CONTACT THE INSPECTOR PRIOR TO INSTALLATION.

LEGEND

- PG&E TO INSTALL 600A SWITCH-INTERRUPTER-SWITCH 4'6"x8'6"x 6' (IVT) PRIMARY ENCLOSURE BY APPLICANT AS SHOWN
- PG&E TO INSTALL 600A 3-WAY, 3-WAY SWITCH IN 4'6"x8'6"x 6' (IVT) PRIMARY ENCLOSURE BY APPLICANT AS SHOWN
- PG&E TO INSTALL 600A 3-WAY JUNCTION IN 4'6"x8'6"x 6' (IVT) PRIMARY ENCLOSURE BY APPLICANT
- PG&E TO INSTALL 600A PRIMARY SPLICES IN 4'6"x8'6"x 6' (IVT) PRIMARY ENCLOSURE BY APPLICANT AS SHOWN
- PG&E TO INSTALL 200A 3-WAY JUNCTION IN 4'6"x6"x6' (IVT) PRIMARY ENCLOSURE BY APPLICANT
- APPLICANT TO INSTALL 17"x30"x18" (IVT) SECONDARY ENCLOSURE
- PG&E TO INSTALL 50 KVA 1Ø DF-LB PM TX ON 1-WIRE, 2-BUSHINGS, 36"x52" DF-LB TRANSFORMER BOX PAD BY APPLICANT
- PG&E TO INSTALL 3-1100A EPR UG PRIMARY CABLE IN (1)-6" PVC (MINIMUM SCHEDULE 40) PRIMARY CONDUIT BY APPLICANT
- PG&E TO INSTALL 3-1100A EPR UG PRIMARY CABLE IN EXISTING 6" PRIMARY CONDUIT
- PG&E TO INSTALL 3-1/0A CONC ENCAP LLDPD PRIMARY CABLE IN (1)-4" PVC (MINIMUM SCHEDULE 40) PRIMARY CONDUIT BY APPLICANT
- PG&E TO INSTALL 1-1/0A CONC ENCAP LLDPD PRIMARY CABLE IN (1)-4" PVC (MINIMUM SCHEDULE 40) PRIMARY CONDUIT BY APPLICANT
- PG&E TO RE-ROUTE 1-2A PRIMARY CABLE IN (1)-4" PVC (MINIMUM SCHEDULE 40) PRIMARY CONDUIT BY APPLICANT
- PG&E TO EXISTING 3-1100A EPR UG PRIMARY CABLE IN EXISTING 6" PRIMARY CONDUIT
- PG&E TO INSTALL 4/0A TPX(600V) UG SECONDARY CABLE IN (1)-3" PVC (MINIMUM SCHEDULE 40) SECONDARY CONDUIT BY APPLICANT
- APPLICANT TO INSTALL (1)-4" PVC (MINIMUM SCHEDULE 40) PRIMARY CONDUIT-SPARE
- APPLICANT TO INSTALL (1)-6" PVC (MINIMUM SCHEDULE 40) PRIMARY CONDUIT-SPARE

LOC. 56

TX PAD DETAIL

T872959

CGC# 100000065123

TO SPL BX

TO J97941

FRONT

CLEARANCE REQUIRED

TYPICAL JOINT TRENCH

18"

30"

PG&E TRENCH COVER:

24" ON PRIVATE PROPERTY

30" MIN IN PILE / DRIVEWAY - STREET TO FINAL GRADE

PLEASE REFER TO PG&E'S GREENBOOK FOR MORE INFO. SECTION 3 OR DOC# S5453, EXHIBIT B.

DETAIL PRIMARY TRENCH

FINISH

18'

NATIVE SOIL

SAND

6" (P)

30" MIN.

42"

GRADE

POLES & CONDUCTOR ON THE EAST SIDE OF HALE AVE. TO REMAIN

LOC. 49 TO LOC. 60
PULLING TENSION
1914 LBS. ACTUAL=
MAX. ALLOWABLE TENSION=10,000 LBS.

LOC. 49 TO LOC. 56
PULLING TENSION
710 LBS. ACTUAL=
ACTUAL ALLOWABLE TENSION=1800 LBS.

LOC. 60
DETAIL: NEW BOX
600A 3-WAY SWITCH

423940 N.O. 808356

98112 N.O.

TO RISER

568323

586452

TO 741288

LOC. 49
DETAIL: NEW BOX
600A SW/INT/SW

741288 831282

907702

TO 808356

TO LOC. 46

TO PRIMARY BOX

TO J97141

LOC. 51
DETAIL: NEW BOX
200A 3-WAY JUNCTION
J97141

TO T872959

TO 907702

TO PRI RISER

332765

EST: ROBIN WIBTO		408-725-2070	
ADE: GREG EIDER		408-725-2061	
SUP: DAVID T. MIRANDA		925-328-5572	
REP: ODEH ALWAL		408-299-1004	
PLNR: HARJAS SINGH		408-365-2207	
JPM# PG200403VP		NOTE: 118356616	
SCALE: 1"=20'		DATE: 03/01/2021	
SHEET: 7 OF 9		REV: 0	

ENGINEERING AND PLANNING DEPT.	
10900 N. BLANEY AVE.	
CUPERTINO, CA. 95014	
Call before you dig	

PRIMARY VOLTAGE: 21 kV	VOLTAGE AREA: 1
LATITUDE: 37.172994	LONGITUDE: -121.712931
SOURCE: SIDE DEVICE	
SUB & CIRCUIT: MORGAN HILL 2111	
DSGN: SAG: SSU	RAPTOR ZONE: YES
LOADING AREA: LIGHT	ARRESTER DIST: 3
CORROSION AREA: NON	INSULATION DIST: 8

UG CONSTRUCTION SKETCH	
HALE AVE-NORTH	
MORGAN HILL	
SANTA CLARA COUNTY	
PACIFIC GAS & ELECTRIC COMPANY	

RULE 20B: OH TO UG CONVERSION
FOR THE CITY OF MORGAN HILL

NOTES:

1. APPLICANT TO TRENCH JOINT WITH ELECTRIC, PHONE, & CATV
2. APPLICANT TO PROVIDE ALL ELECTRIC SUBSTRUCTURES AS SHOWN.
3. APPLICANT TO PROVIDE MULE TAPE IN ALL ELECTRIC CONDUITS.
4. APPLICANT "TO PROVIDE MANDREL" AND PROVING OF ALL ELECTRIC CONDUIT FACILITIES WITH PG&E INSPECTOR STANDBY.
5. THE TOTAL NUMBER OF BENDS INSTALLED IN ANY PRIMARY DUCT RUN SHALL NOT EXCEED 300 DEGREES. THE TOTAL NUMBER OF BENDS IN ANY SECONDARY DUCT RUN IN EXCESS OF 200 FEET SHALL NOT EXCEED 300 DEGREES. ANY SECONDARY DUCT RUN EQUAL TO OR LESS THAN 200 FEET IN LENGTH MAY CONTAIN UP TO A TOTAL OF 315 DEGREES IN BENDS.
6. PG&E INSPECTOR'S PHONE # (408) 299-1024
7. APPLICANT IS RESPONSIBLE TO ENSURE TRENCHING AND SUBSTRUCTURE INSTALLATION MEET PG&E GREENBOOK STANDARDS. GREENBOOKS ARE AVAILABLE AT YOUR LOCAL PG&E HEADQUARTERS OR CAN BE FOUND ON THE INTERNET @ WWW.PGE.COM/GREENBOOK
8. A 3' SEPARATION IS REQUIRED BETWEEN JOINT TRENCH AND WET FACILITIES.
9. APPLICANT TO FOLLOW CLEARANCE REQUIREMENTS FOR ALL NEW EQUIPMENT PER DOCUMENT 051122.
10. FLAME RESISTANT (FR) CLOTHING IS REQUIRED WHEN WORKING ON OR AROUND PG&E FACILITIES AND EQUIPMENT. SEE PG&E GREENBOOK FOR ADDITIONAL DETAILS
11. MINIMUM OF SCHEDULE 40 CINDUIT TO BE INSTALLED



Underground Service Alert
Call: TOLL FREE
811
TWO WORKING DAYS BEFORE YOU DIG
NO APPLICANT PG&E GAS CONFLICTS FOR THIS PROJECT
GAS PLATS: Mop#3540-F8

UNDERGROUND SERVICE ALERT

CONTACT U.S.A. AT LEAST 48 HOURS IN ADVANCE OF TRENCHING OR EXCAVATING. CONTACT PG&E INSPECTOR AT LEAST 48 HOURS IN ADVANCE TO MAKE STANDBY ARRANGEMENTS WHEN WORKING WITHIN 5' OF ENERGIZED FACILITIES.

DEVELOPER NOTES

BEFORE BEGINNING SUBSTRUCTURE WORK, PLEASE CALL THE UNDERGROUND INSPECTOR AT LEAST 48 HOURS IN ADVANCE AT (408)365-2166. (WORK NOT PROPERLY INSPECTED MAY BE REJECTED) IF THERE ARE ANY CONFLICTS BETWEEN SUBSTRUCTURES INSTALLATIONS AND LANDSCAPING CONTACT THE INSPECTOR PRIOR TO INSTALLATION.

LEGEND

- PG&E TO INSTALL 600A SWITCH-INTERRUPTER-SWITCH 4'6"x8'6"x 6' (IVT) PRIMARY ENCLOSURE BY APPLICANT AS SHOWN
- PG&E TO INSTALL 600A 3-WAY, 3-WAY SWITCH IN 4'6"x8'6"x 6' (IVT) PRIMARY ENCLOSURE BY APPLICANT AS SHOWN
- PG&E TO INSTALL 600A 3-WAY JUNCTION IN 4'6"x8'6"x 6' (IVT) PRIMARY ENCLOSURE BY APPLICANT
- PG&E TO INSTALL 600A PRIMARY SPLICES IN 4'6"x8'6"x 6' (IVT) PRIMARY ENCLOSURE BY APPLICANT AS SHOWN
- PG&E TO INSTALL 200A 3-WAY JUNCTION IN 4'6"x8'6"x 6' (IVT) PRIMARY ENCLOSURE BY APPLICANT
- APPLICANT TO INSTALL 17"x30"x18" (IVT) SECONDARY ENCLOSURE
- PG&E TO INSTALL 50 KVA 1Ø DF-LB PM TX ON 1-WIRE, 2-BUSHINGS, 36"x52" DF-LB TRANSFORMER BOX PAD BY APPLICANT
- PG&E TO INSTALL 3-1100A EPR UG PRIMARY CABLE IN (1)-6" PVC (MINIMUM SCHEDULE 40) PRIMARY CONDUIT BY APPLICANT
- PG&E TO INSTALL 3-1100A EPR UG PRIMARY CABLE IN EXISTING 6" PRIMARY CONDUIT
- PG&E TO INSTALL 3-1/0A CONC ENCAP LLDPPE PRIMARY CABLE IN (1)-4" PVC (MINIMUM SCHEDULE 40) PRIMARY CONDUIT BY APPLICANT
- PG&E TO INSTALL 1-1/0A CONC ENCAP LLDPPE PRIMARY CABLE IN (1)-4" PVC (MINIMUM SCHEDULE 40) PRIMARY CONDUIT BY APPLICANT
- PG&E TO RE-ROUTE 1-2A PRIMARY CABLE IN (1)-4" PVC (MINIMUM SCHEDULE 40) PRIMARY CONDUIT BY APPLICANT
- PG&E TO EXISTING 3-1100A EPR UG PRIMARY CABLE IN EXISTING 6" PRIMARY CONDUIT
- PG&E TO INSTALL 4/0A TPX(600V) UG SECONDARY CABLE IN (1)-3" PVC (MINIMUM SCHEDULE 40) SECONDARY CONDUIT BY APPLICANT
- APPLICANT TO INSTALL (1)-4" PVC (MINIMUM SCHEDULE 40) PRIMARY CONDUIT-SPARE
- APPLICANT TO INSTALL (1)-6" PVC (MINIMUM SCHEDULE 40) PRIMARY CONDUIT-SPARE

POLES & CONDUCTOR ON THE EAST SIDE OF HALE AVE. TO REMAIN

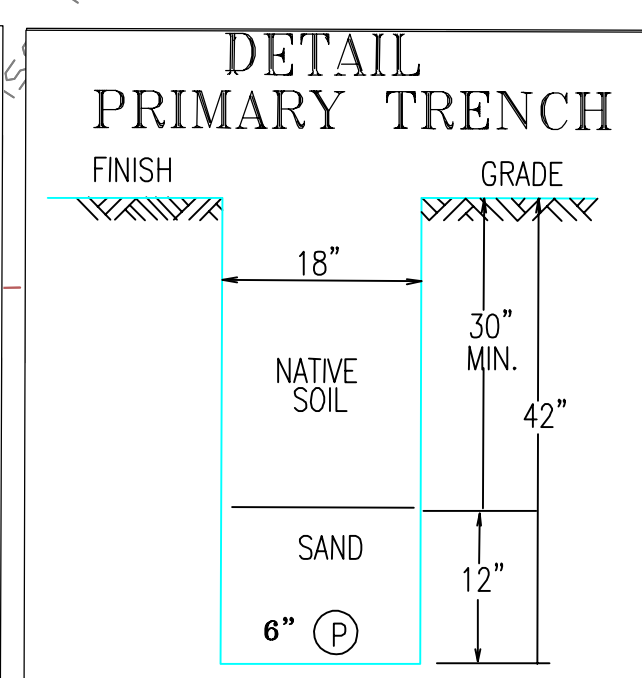
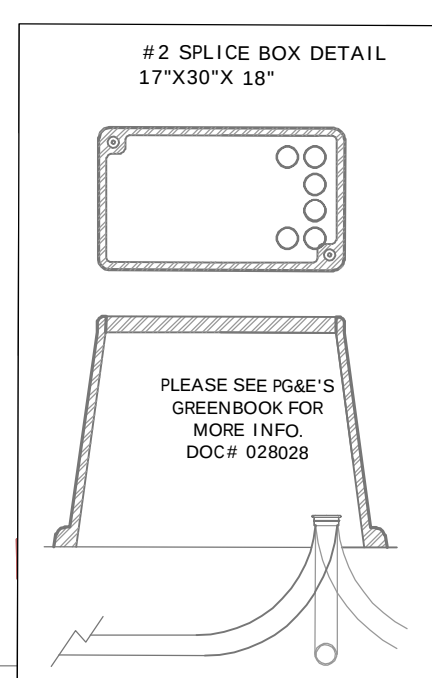
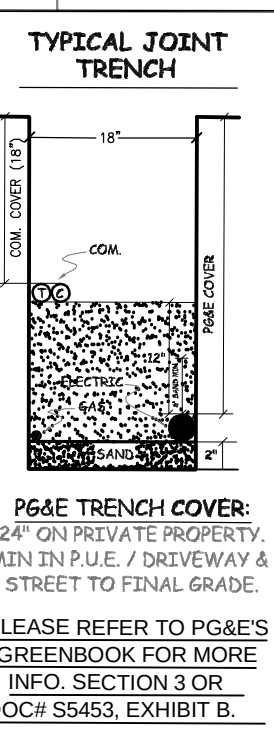
SPAN GUY TO BE REMOVED
SEE OH REMOVAL SKETCH

LOC. 60 TO LOC. 70
PULLING TENSION
3548 LBS. ACTUAL=
MAX. ALLOWABLE TENSION=10,000 LBS.

LOC. 70
DETAIL: NEW BOX
600A SW/INT/SW

TX PAD DETAIL
T446805
CGC# 100000065128

COORDINATE #
100000065128
LOADING DISTRICT
SUMMER COASTAL
TX SIZE - 25
KVA LOAD-5
CUST. - 1
PHASE - 1Ø



UG CONSTRUCTION SKETCH

HALE AVE-NORTH
MORGAN HILL
SANTA CLARA COUNTY
PACIFIC GAS & ELECTRIC COMPANY

REVISIONS

NO.	DATE	DESCRIPTION

PRIMARY VOLTAGE: 21 kV VOLTAGE AREA: 1
LATITUDE: 37.172994 LONGITUDE: -121.712931
SUB & CIRCUIT: MORGAN HILL 2111
DSGN SAG: SSU RAPTOR ZONE: YES
LOADING AREA: LIGHT ARRESTER DIST: 3
CORROSION AREA: NON INSULATION DIST: 8

ENGINEERING AND PLANNING DEPT.
10900 N. BLANEY AVE.
CUPERTINO, CA. 95014

EST: ROBIN WIBETO 408-725-2070
ADE: GREG ELDER 408-725-2051
SUPV: DAVID T. MIRANDA 925-328-5572
REP: ODEH ALWAI 408-299-1004
PLNR: HARJAS SINGH 408-365-2207
JPM: PG200405P
NOTICE: 118356616
SCALE: 1"=20'
DATE: 03/01/2021
SHEET: 8 OF 9 REV: 0

NOTES:

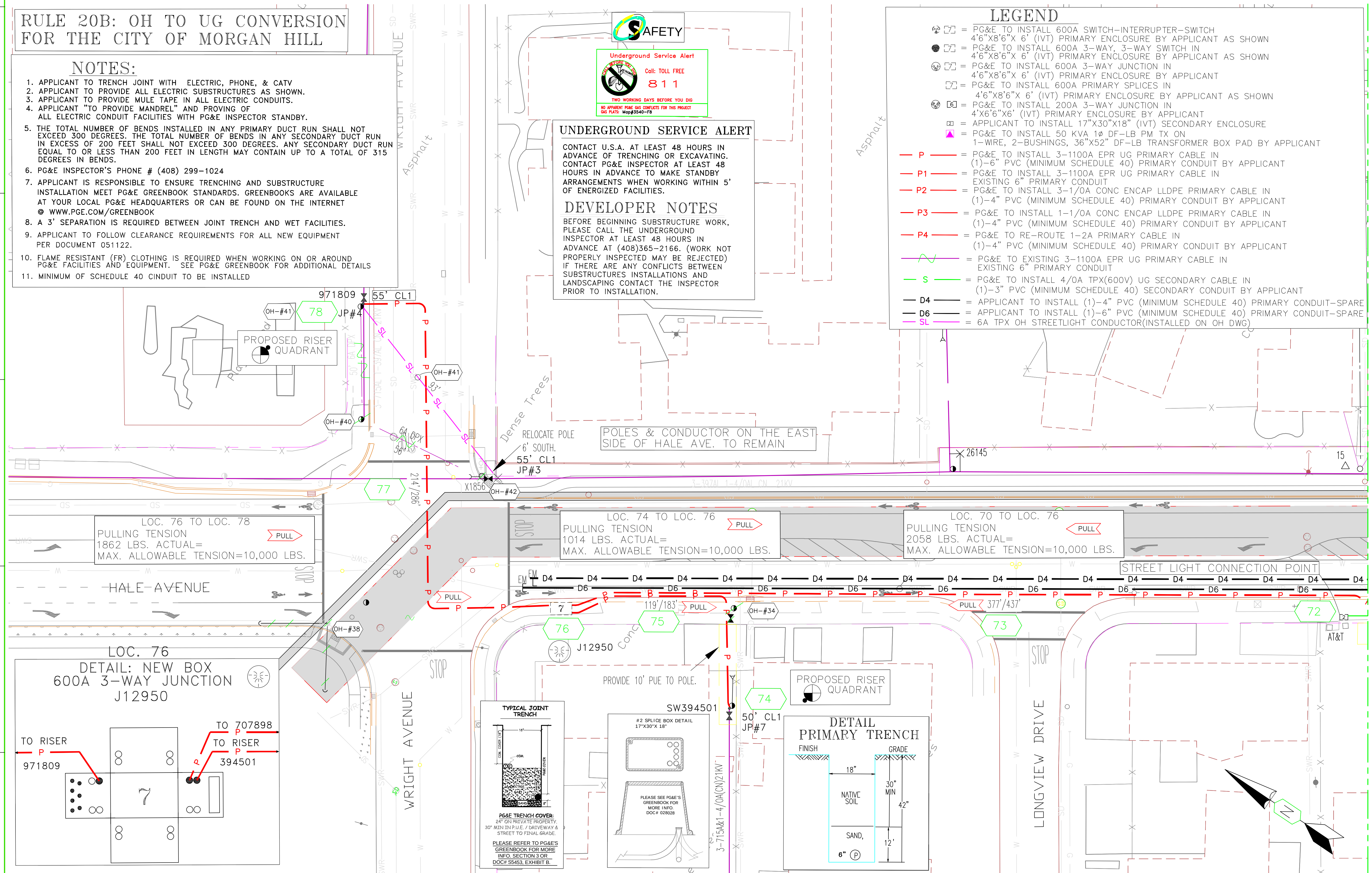
1. APPLICANT TO TRENCH JOINT WITH ELECTRIC, PHONE, & CATV
2. APPLICANT TO PROVIDE ALL ELECTRIC SUBSTRUCTURES AS SHOWN.
3. APPLICANT TO PROVIDE MULE TAPE IN ALL ELECTRIC CONDUITS.
4. APPLICANT "TO PROVIDE MANDREL" AND PROVING OF ALL ELECTRIC CONDUIT FACILITIES WITH PG&E INSPECTOR STANDBY.
5. THE TOTAL NUMBER OF BENDS INSTALLED IN ANY PRIMARY DUCT RUN SHALL NOT EXCEED 300 DEGREES. THE TOTAL NUMBER OF BENDS IN ANY SECONDARY DUCT RUN IN EXCESS OF 200 FEET SHALL NOT EXCEED 300 DEGREES. ANY SECONDARY DUCT RUN EQUAL TO OR LESS THAN 200 FEET IN LENGTH MAY CONTAIN UP TO A TOTAL OF 315 DEGREES IN BENDS.
6. PG&E INSPECTOR'S PHONE # (408) 299-1024
7. APPLICANT IS RESPONSIBLE TO ENSURE TRENCHING AND SUBSTRUCTURE INSTALLATION MEET PG&E GREENBOOK STANDARDS. GREENBOOKS ARE AVAILABLE AT YOUR LOCAL PG&E HEADQUARTERS OR CAN BE FOUND ON THE INTERNET @ WWW.PGE.COM/GREENBOOK
8. A 3' SEPARATION IS REQUIRED BETWEEN JOINT TRENCH AND WET FACILITIES.
9. APPLICANT TO FOLLOW CLEARANCE REQUIREMENTS FOR ALL NEW EQUIPMENT PER DOCUMENT 051122.
10. FLAME RESISTANT (FR) CLOTHING IS REQUIRED WHEN WORKING ON OR AROUND PG&E FACILITIES AND EQUIPMENT. SEE PG&E GREENBOOK FOR ADDITIONAL DETAILS
11. MINIMUM OF SCHEDULE 40 CONDUIT TO BE INSTALLED



CONTACT U.S.A. AT LEAST 48 HOURS IN ADVANCE OF TRENCHING OR EXCAVATING. CONTACT PG&E INSPECTOR AT LEAST 48 HOURS IN ADVANCE TO MAKE STANDBY ARRANGEMENTS WHEN WORKING WITHIN 5' OF ENERGIZED FACILITIES.

BEFORE BEGINNING SUBSTRUCTURE WORK, PLEASE CALL THE UNDERGROUND INSPECTOR AT LEAST 48 HOURS IN ADVANCE AT (408)365-2166. (WORK NOT PROPERLY INSPECTED MAY BE REJECTED) IF THERE ARE ANY CONFLICTS BETWEEN SUBSTRUCTURES INSTALLATIONS AND LANDSCAPING CONTACT THE INSPECTOR PRIOR TO INSTALLATION.

- = PG&E TO INSTALL 600A SWITCH-INTERRUPTER-SWITCH
4'6"x8'6"x 6' (IVT) PRIMARY ENCLOSURE BY APPLICANT AS SHOWN
- = PG&E TO INSTALL 600A 3-WAY, 3-WAY SWITCH IN
4'6"x8'6"x 6' (IVT) PRIMARY ENCLOSURE BY APPLICANT AS SHOWN
- = PG&E TO INSTALL 600A 3-WAY JUNCTION IN
4'6"x8'6"x 6' (IVT) PRIMARY ENCLOSURE BY APPLICANT
- = PG&E TO INSTALL 600A PRIMARY SPLICES IN
4'6"x8'6"x 6' (IVT) PRIMARY ENCLOSURE BY APPLICANT AS SHOWN
- = PG&E TO INSTALL 200A 3-WAY JUNCTION IN
4'X6'6"X6' (IVT) PRIMARY ENCLOSURE BY APPLICANT
- = APPLICANT TO INSTALL 17'X30'X18" (IVT) SECONDARY ENCLOSURE
- = PG&E TO INSTALL 50 KVA 1Ø DF-LB PM TX ON
1-WIRE, 2-BUSHINGS, 36"X52" DF-LB TRANSFORMER BOX PAD BY APPLICANT
- = PG&E TO INSTALL 3-1100A EPR UG PRIMARY CABLE IN
(1)-6" PVC (MINIMUM SCHEDULE 40) PRIMARY CONDUIT BY APPLICANT
- = PG&E TO INSTALL 3-1100A EPR UG PRIMARY CABLE IN
EXISTING 6" PRIMARY CONDUIT
- = PG&E TO INSTALL 3-1/0A CONC ENCAP LLDPE PRIMARY CABLE IN
(1)-4" PVC (MINIMUM SCHEDULE 40) PRIMARY CONDUIT BY APPLICANT
- = PG&E TO INSTALL 1-1/0A CONC ENCAP LLDPE PRIMARY CABLE IN
(1)-4" PVC (MINIMUM SCHEDULE 40) PRIMARY CONDUIT BY APPLICANT
- = PG&E TO RE-ROUTE 1-2A PRIMARY CABLE IN
(1)-4" PVC (MINIMUM SCHEDULE 40) PRIMARY CONDUIT BY APPLICANT
- = PG&E TO EXISTING 3-1100A EPR UG PRIMARY CABLE IN
EXISTING 6" PRIMARY CONDUIT
- = PG&E TO INSTALL 4/0A TPX(600V) UG SECONDARY CABLE IN
(1)-3" PVC (MINIMUM SCHEDULE 40) SECONDARY CONDUIT BY APPLICANT
- = APPLICANT TO INSTALL (1)-4" PVC (MINIMUM SCHEDULE 40) PRIMARY CONDUIT--SPARE
- = APPLICANT TO INSTALL (1)-6" PVC (MINIMUM SCHEDULE 40) PRIMARY CONDUIT--SPARE
- = 6A TPX OH STREETLIGHT CONDUCTOR(INSTALLED ON OH DWG)



MATCH LINE SHEET 8

UG CONSTRUCTION SKETCH

HALE AVE-NORTH
MORGAN HILL
SANTA CLARA COUNTY
CIFIC GAS & ELECTRIC COMPANY

ENGINEERING AND PLANNING DEPT.
10900 N. BLANEY AVE.
CUPERTINO, CA. 95014



**Know what's below.
Call before you dig.**

NO.	DATE	REVISIONS DESCRIPTION
		PRIMARY VOLTAGE: 21 kV VOLTAGE AREA: 1
		LATITUDE: 37.172994 LONGITUDE: -121.712931
		SOURCE SIDE DEVICE:
		SUB. & CIRCUIT: MORGAN HILL 2111
		DSGN SAG: SSU RAPTOR ZONE: YES
		LOADING AREA: LIGHT ARRESTER DIST: 3
		CORROSION AREA: NON INSULATION DIST: B

EST: ROBIN WIBETO	408-725-2070
AD: GREG ELDER	408-725-2051
SUPV: DAVID T. MIRANDA	925-328-5572
REP: ODETH ALTWAL	408-399-1004
PLNR: HARJAS SINGH	408-365-2207
NOTICE: 118358616	JPA# PG200405VP
SCALE: 1"=20'	DATE: 03/01/2021
PM: 314986619	SHEET: 09 OF 9 REV. 0

CITY COUNCIL STAFF REPORT

MEETING DATE: August 17, 2022

PREPARED BY:

Anthony Eulo, Program Administrator

APPROVED BY: City Manager

APPROVE SOLID WASTE FRANCHISE EXTENSION

RECOMMENDATION(S)

Authorize the City Manager to execute a four-month franchise extension with Recology South Valley.

Estimated Time:

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Protecting the Environment and Preserving Open Space and Agricultural Land

REPORT NARRATIVE:

The City's current franchise for solid waste management services with Recology South Valley expires at the end of August. While the City and Recology have been negotiating on a new franchise for several months that will both extend the time of the franchise and accommodate the new services required by State law, this document is not finalized and a short-term extension will be required. Staff recommends that the Council authorize the City Manager to execute the attached four-month franchise extension subject to the review and approval of the City Attorney. While staff anticipates bringing the new franchise to the City Council for consideration in September or October, it is not slated to begin until January 1.

COMMUNITY ENGAGEMENT:

This staff report serves to inform the community of the proposed four-month solid waste franchise agreement with Recology South Valley.

ALTERNATIVE ACTIONS:

Not Applicable

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The Recology franchise was recently extended by the Council in June.

FISCAL AND RESOURCE IMPACT:

No fiscal impacts are anticipated from the recommended action and no budget adjustment is requested.

CEQA (California Environmental Quality Act):

Not a Project

THIRD AMENDMENT TO THE FRANCHISE AGREEMENT BETWEEN
THE CITY OF MORGAN HILL AND RECOLOGY SOUTH VALLEY

This Third Amendment to the Franchise Agreement ("Third Amendment") is entered into this ____ day of August, 2022, by and between the City of Morgan Hill (the "City"), a municipal corporation of the State of California, and Recology South Valley ("Contractor"), a California Corporation.

This Third Amendment is made with references to the following facts:

- A. City and Contractor are currently parties to an Amended and Restated Franchise Agreement, dated December 13, 2005, as amended on July 1, 2014, and on July 1, 2022 (the "Franchise Agreement"), pursuant to which Contractor has the exclusive right to collect, transport and dispose of garbage and refuse produced within the corporate limits of City.
- B. The Franchise Agreement expires August 31, 2022.
- C. City and Contractor are currently engaged in negotiations to establish a new franchise agreement pursuant to which Contractor shall provide solid waste collection and management services and additional services to support compliance with SB 1383.
- D. The terms of the new franchise agreement are nearly finalized but will not be ready for Council consideration prior to the expiration of the current franchise.

NOW, THEREFORE, in consideration of the factual premises and the covenants and conditions set forth in this Third Amendment, City and Contractor hereby agree as follows:

1. Section 2 (A) shall be amended and replaced in its entirety by the following:

“(A) The term of the Franchise shall be for a period of thirty-five (35) years, commencing at 12:01 a.m on the 1st day of January, 1988, and ending at 11:59 p.m on the 31st day of December, 2022, excepting as herein otherwise specified.”

All other terms of the Franchise Agreement which are not in conflict with the provisions of this Third Amendment shall remain unchanged in full force and effect. In case of a conflict in the terms of the Franchise Agreement, the provisions of this Third Amendment shall control.

/

/

/

/

The Parties acknowledge and accept the terms and conditions of this Third Amendment as evidenced by the following signatures of their duly authorized representatives. It is the intent of the Parties that this Third Amendment shall become effective as of the date first written above.

RECOLOGY SOUTH VALLEY

Salvatore M. Coniglio
Chief Executive Officer

CITY OF MORGAN HILL

Christina Turner, City Manager

APPROVED AS TO FORM:

CITY OF MORGAN HILL:

Don Larkin, City Attorney

CITY COUNCIL STAFF REPORT

MEETING DATE: August 17, 2022

PREPARED BY:

Dat Nguyen, Finance Director

APPROVED BY: City Manager

APPROVE REVISIONS TO CITY COUNCIL POLICY CP-94-04, THE CITY'S INVESTMENT POLICY

RECOMMENDATION(S)

Approve revisions to City Council Policy CP-94-04, the City's Investment Policy.

Estimated Time: NA

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Preserving and Cultivating Public Trust

2022-2023 Strategic Priorities

Fiscal Sustainability

REPORT NARRATIVE:

Best practices in municipal finance recommend investment policies be reviewed annually or at a minimum, the internal treasury staff should conduct a review annually.

An update in the investment policy is warranted if staff's review results in a material change in policy due to either a change in statute or a change in the City's investment objectives. Finance continues to monitor changes to the California Government Code regarding investment parameters and allowable investments that may impact the City's investment policy. The redlined version of the City's investment policy is attached for review and approval. The proposed changes to the investment policy would expand the allowable investments to include California Cooperative Liquid Assets Securities System Class (CLASS) and adding Certificates of Deposit as an allowable investment which was previously authorized by the City Council on May 6, 2020. California CLASS is a pooled investment option that was created via a joint exercise of powers agreement by and among California public agencies. Similar to LAIF, California CLASS provides California public agencies with a convenient method for investing in high-quality, short-to medium-term securities carefully selected to optimize interest earnings while maximizing safety and liquidity. Expanding the list of allowable investments would allow the City more options as we look to increase the City portfolio's short-term returns, while maintaining the City's investment objectives of safety, liquidity, and yield.

COMMUNITY ENGAGEMENT:

Inform

Finance periodically renders to City Council for review and approval any changes to the investment policy at a public meeting. In addition, the City's investment policy is available on the City's website.

ALTERNATIVE ACTIONS:

City Council could decide not to update the policy.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council approved the last revision to its investment policy in May 2020.

FISCAL AND RESOURCE IMPACT:

Updating and maintaining the City's investment policy is a part of the Finance Department's on-going work-plan. There is no additional cost associated with the approval of the Investment Policy.

CEQA (California Environmental Quality Act):

Not a Project

Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

CITY OF MORGAN HILL

CITY COUNCIL POLICIES AND PROCEDURES

POLICY NUMBER: CP-94-04

TITLE: INVESTMENT POLICY

EFFECTIVE DATE: June 8, 1988

REVISED DATE: August 17, 2022; May 6, 2020; July 20, 2016; July 15, 2015; January 26, 2011; September 26, 2007; June 15, 1994

TABLE OF CONTENTS

	<u>Page</u>
Scope.....	2
Investment Objectives	
A. <i>Safety of Principal</i>	2
B. <i>Liquidity</i>	3
C. <i>Yield</i>	3
Delegation of Authority.....	3
Ethics and Conflicts of Interest.....	4
Evaluation of Investments	4
Selection of Broker/Dealers	4
Authorized Investments	5
Investment Pools.....	6
Safekeeping of Securities	6
Diversification.....	7
Maximum Maturities	7
Performance Benchmarks.....	7
Bond Proceeds.....	7
Competitive Transactions.....	8
Reporting Requirements.....	8
Investment Policy Review	8
Policy Statement on Collateralized Time Deposits	<i>Schedule I</i>
Policy Criteria for Selecting Broker/Dealers.....	<i>Schedule II</i>
Firms Authorized to Conduct Investment Transactions	<i>Schedule III</i>
Chart of Authorized Investments	<i>Schedule IV</i>
Glossary	18

CITY OF MORGAN HILL
Statement of Investment Policy

SCOPE

The City of Morgan Hill's (the City's) Investment Policy (the Policy) applies to all funds under the control of the City and includes the general revenues of the City, Successor Agency to the former Morgan Hill Redevelopment Agency (Agency), enterprise fund revenues, and proceeds of bond sales, debt service revenues, and trust funds in the custody of the City.

For simplicity, this Policy shall refer to "City" even when it applies to the Agency, except that the City and Agency shall be distinguished whenever the role of the City Council or Agency Board is described, whenever the role of the City Manager or Executive Director is described, or whenever the role of the City Treasurer or Director of Finance is described.

INVESTMENT OBJECTIVES

The City's funds shall be invested in accordance with all applicable City policies and codes, State statutes, Federal regulations, and bond covenants, and in a manner designed to accomplish the following objectives, which are listed in priority order:

A. Safety of Principal

Safety of principal is the City's foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to minimize capital losses by avoiding credit risk and market risk, as defined below:

1. Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in only the highest quality securities (see authorized investments) and by diversifying the investment portfolio so that the failure of any one issuer would not unduly harm the City's cash flows.
2. Market risk, defined as the risk of market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by structuring the portfolio so that securities mature at the same time that major cash outflows occur, thus eliminating the need to sell securities prior to maturity. It is explicitly recognized, however, that in a diversified portfolio, occasional measured losses may occur, and must be considered within the context of the overall investment return.

B. Liquidity

Liquidity is the second most important objective of the investment program. The investment portfolio shall remain sufficiently liquid to enable the City to meet all reasonably anticipated operating requirements.

C. Yield

The City portfolio shall be invested to attain a market average rate of return through economic cycles, as long as it does not diminish the superior objectives of safety and liquidity. The market rate of return is defined as the average return on the 1-year U.S. Treasury Bill. Whenever possible, and after the objectives of safety of principal and liquidity have been met, a yield higher than the market rate of return shall be sought.

DELEGATION OF AUTHORITY FOR CITY FUNDS

The City Council has appointed the City Treasurer responsible for undertaking investment transactions on behalf of the City. Unless specifically designated by the City Council, the only officials authorized to undertake investment transactions on behalf of the City are the City Treasurer, Finance Director, and City Manager. The City Manager or designee, as applicable, shall review all investment purchases before they occur. The City Treasurer and the Finance Director will observe, review, and react to the changing conditions that affect the investment portfolio. They will meet on a regular basis to discuss current market conditions, future trends and how each of these affects the investment portfolio and the City.

The City Treasurer, Finance Director and City Manager shall develop and maintain administrative procedures and internal controls, consistent with this Policy, for the operation of the City's investment program. Such procedures shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the City.

DELEGATION OF AUTHORITY FOR AGENCY FUNDS

The Agency Board has appointed the Director of Finance responsible for undertaking investment transactions on behalf of the Agency. Unless specifically designated by the Agency Board, the only officials authorized to undertake investment transactions on behalf of the Agency are the Director of Finance and Agency Executive Director. The Executive Director or designee, as applicable, shall review all investment purchases before they occur. The Director of Finance and Executive Director will observe, review, and react to the changing conditions that affect the investment portfolio. They will meet on a regular basis to discuss current market conditions, future trends and how each of these affects the investment portfolio and the Agency.

The Director of Finance and Executive Director shall develop and maintain administrative procedures and internal controls, consistent with this Policy, for the operation of the Agency's investment program. Such procedures shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the Agency.

ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officers shall disclose any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any larger personal financial/investment positions that could be related to the performance of the City's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the City, particularly with regard to the timing of purchases and sales, and shall avoid transactions that might impair public confidence in the City's ability to govern effectively.

EVALUATION OF INVESTMENTS

The standard of prudence to be used for managing the City's investment program is California Government Code Section 53600.3, the prudent investor standard which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

City investment officers acting in accordance with this Policy and the "prudent person" standard and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that substantial deviations from expectations are reported by the City Treasurer or by the Director of Finance (for the Agency) to the City Manager or Executive Director, as applicable, within three days of discovery. Mutually agreeable remedial action will be taken by the City Treasurer and City Manager (for the City) or by the Director of Finance and Executive Director (for the Agency) and reported to the City Council or Agency Board, as applicable, at their next regularly scheduled meeting.

SELECTION OF BROKER/DEALERS

The City Treasurer (for the City) and Director of Finance (for the Agency) shall jointly maintain a list of broker/dealers approved for investment purposes, and it shall be the policy jointly of the City and the Agency to purchase securities only from those brokers and the firms they represent. Each approved broker/dealer must possess an authorizing certificate from the California Commissioner of Corporations as required by Section 25210 of the California Corporations Code.

To be eligible, a firm must meet at least one of the following criteria:

1. be recognized as Primary Dealers by the Federal Reserve Bank of New York or have a primary dealer within their holding company structure, or
2. report voluntarily to the Federal Reserve Bank of New York, or
3. qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule).

The City Treasurer (for the City) and Director of Finance (for the Agency) will select broker/dealers on the basis of their expertise in public cash management and their ability to provide service to the account(s). Each authorized broker/dealer shall submit and annually update an approved Broker/Dealer Information Request form that includes the firm's most recent financial statements.

The City Treasurer (for the City) and Director of Finance (for the Agency) shall determine if the broker/dealers are adequately capitalized, make markets on securities appropriate to the City's needs and are recommended by managers of portfolios similar to the City's. The City Treasurer (for the City) or Director of Finance (for the Agency) shall submit findings and recommendations to the City Council or Agency Board, as applicable. The City Council and Agency Board will determine which broker/dealers will be authorized to trade with the City as part of their annual review of this Policy,

In the event that an external investment advisor is not used in the process of recommending a particular transaction in the City's or Agency's portfolio, authorized broker/dealers shall attest in writing that they have read and understand this Policy.

AUTHORIZED INVESTMENTS

All investments and deposits of the City shall be made in accordance with California Government Code Sections 16429.1, 53600-53609 and 53630-53686. The City has further limited the types of allowable securities to those shown in the following list:

- A. United States Treasury Bills and Notes with maturities not exceeding five years from the date of trade settlement. There is no limitation on the percentage of the portfolio which can be invested in this category.
- B. Federal Instrumentality (government sponsored enterprise) debentures, discount notes, callable and step-up securities, with a final maturity not exceeding five years from the date of trade settlement issued by the following only: the Federal Farm Credit Bank System (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA or Fannie Mae), the Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac), the Tennessee Valley Authority (TVA), and the Government National Mortgage Association (GNMA, but only if the security is backed by the full faith and credit of the U.S. government). Although there is no percentage limitation of the dollar amount or percentage of the portfolio that can be invested in these issuers, the "prudent person" rule shall apply for any single agency name.
- C. The Local Agency Investment Fund (LAIF), established by the State Treasurer for the benefit of local agencies and identified under Government Code Section 16429.1, is authorized up to the maximum amount pursuant to California Government Code Section 16429.1
- D. Inactive deposits with Banks and Savings and Loans with a branch within California that has a rating of at least A-1 or the equivalent from a nationally recognized statistical rating organization (NRSRO), and has an equity to total assets ratio of at least 4%. All deposits

shall be secured in accordance with Sections 53651 and 53652 of the California Government Code and comply with Schedule I (Policy Statement of Collateralized Time Deposits) attached. If deposits are not collateralized, the maximum placed at any one institution will be \$250,000. The maximum amount of collateralized inactive deposits placed at any one institution shall not constitute more than 10% of the total assets of the institution or \$2,000,000, whichever is less, and shall not exceed the total shareholders' equity of the issuing institution.

- E. Money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 that (1) are “no-load” (meaning no commission or fee shall be charged on purchases or sales of shares); (2) have a constant net asset value per share of \$1.00; (3) invest only in the securities and obligations authorized in the applicable California statutes and (4) have a rating of at least AAAm or the equivalent by at least two NRSROs. The aggregate investment in money market funds shall not exceed 20% of the City’s total portfolio. The City shall use only those money market funds consisting of investments considered prudent in nature for any fiduciary.

- F. Certificates of Deposit (CD) is authorized up to the maximum Federal Deposit Insurance Corporation (FDIC) legal limit amount per FDIC-insured institution.

INVESTMENT POOLS

The Local Agency Investment Fund (LAIF) is authorized under provisions in Section 16429.1 of the California Government Code. The City's participation in the pool was previously approved by the City Council and Agency Board.

The California Cooperative Liquid Assets Securities System Class (CLASS) is authorized under provisions in Section 53601(p) of the California Government Code, California public agencies may invest in shares of beneficial interest issued by a joint powers authority.

City Council review and approval is required prior to investment in any other local government investment pool or joint powers authority.

SAFEKEEPING OF SECURITIES

The City Treasurer (for the City) and the Director of Finance (for the Agency) shall select one or more banks to provide safekeeping and custodial services for the City. A Safekeeping Agreement approved by the City shall be executed with each custodian bank prior to utilizing that bank's safekeeping services.

Custodian banks will be selected on the basis of their ability to provide services for the City's account and the competitive pricing of their safekeeping related services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. All securities shall be perfected in the name of the City. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investment securities, except non-negotiable Certificates of Deposit, Money Market Funds and LAIF, purchased by the City will be delivered by either book entry or physical delivery and will be held in third-party safekeeping by a City approved custodian bank, its correspondent bank or its Depository Trust Company (DTC) participant account.

All Fed wireable book entry securities owned by the City shall be held in the Federal Reserve System in a customer account for the custodian bank which will name the City as “customer.”

All DTC eligible securities shall be held in the custodian bank’s DTC participant account and the custodian bank shall provide evidence that the securities are held for the City as “customer.”

DIVERSIFICATION

The City will diversify its investments by security type and investment to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. With the exception of bond reserve funds, bond escrow funds, and any other funds approved by the City Council, at all times at least 50% of the total portfolio shall mature in three years or less; at least 30% of the total portfolio shall mature in two years or less; and at least 20% of the portfolio shall mature in one year or less.

MAXIMUM MATURITIES

The City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, as approved by the City Council or Agency Board, as applicable, and otherwise allowed by law, the City will not directly invest in securities maturing more than five years from the date of trade settlement. Bond reserve funds, bond escrow funds, and any other funds approved by the City Council or Agency Board, as applicable, may be invested in securities exceeding five years if the maturities of such investments are made to coincide as nearly as possible with the expected use of the funds. The weighted average final maturity of the investment portfolio shall not exceed two and one-half years.

PERFORMANCE BENCHMARKS

The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. The performance of the investment portfolio shall be compared to the average yield on the U.S. Treasury security that most closely corresponds to the investment portfolio’s weighted average effective maturity. When comparing the performance of the investment portfolio, all fees involved with managing it shall be included in the computation of its rate of return net of fees.

BOND PROCEEDS

Proceeds of bond sales and debt service reserve funds and other bond-related monies (or funds) may be invested in any investments authorized under both California Government Code Section 53600, et. seq. and the applicable bond covenants related to a bond sale. Securities authorized by a bond covenant that are not authorized by this Policy will only be used if they are specifically approved by the City Council or Agency Board, as applicable. Unless otherwise approved by the City Council or Agency Board, as applicable, all securities will be held in third-party safekeeping with the bond trustee, and all delivery-versus-payment rules will apply. Fees will be collected annually to compensate for administration costs.

COMPETITIVE TRANSACTIONS

All investment transactions shall be conducted competitively with authorized broker/dealers. At least three broker/dealers shall be contacted for each transaction, except when purchasing new issue securities, and their bid or offering prices shall be recorded.

If the City is offered a security for which there is no other readily available competitive offering, then the City Treasurer (for the City) or the Director of Finance (for the Agency) will document quotations for comparable or alternative securities.

REPORTING REQUIREMENTS

The City Treasurer (for the City) and Director of Finance (for the Agency) shall render, at least quarterly, reports of investment activity to the City Council and Agency Board within 30 days following the end of the quarter. Each report will include the following information:

1. Investment type, issuer, date of maturity, par value and dollar amount invested in all securities, and investments and monies held by the City;
2. A description of the funds, investments and programs managed by contracted parties;
3. A market value as of the date of the report (or the most recent valuation as to assets not valued monthly) and the source of the valuation;
4. A statement of compliance with the investment policy or an explanation for non-compliance; and
5. A statement of the City's ability to meet expenditure requirements for six months, and an explanation of why money will not be available if that is the case.

INVESTMENT POLICY REVIEW

The City Treasurer (for the City), working with the Director of Finance (for the Agency), shall periodically review and make recommendations regarding the City's Investment Policy to ensure its consistency with the overall objectives of preservation of principal, liquidity, yield and diversification and its relevance to current law and economic trends. Amendments to this Investment Policy shall be approved by the City Council.

CITY OF MORGAN HILL
POLICY STATEMENT ON COLLATERALIZED TIME DEPOSITS
SCHEDULE I

Before the City Treasurer can place a time deposit with a local bank or savings and loan, the following criteria must be met:

1. The bank must provide the City with an executed copy of the "Contract for Deposit for Moneys" as specified in Section 53649 of the California Government Code.
2. The interest rate on the Time Certificate of Deposit must be competitive with rates offered by other banks and savings and loans and must exceed the interest rate for treasury bills for a similar maturity period.
3. For investments less than \$250,000, FDIC insurance will be sufficient without requiring any collateral to be pledged with the Federal Reserve to secure the public fund deposit.
4. For investments exceeding \$250,000, there may be a waiver of collateral for the first \$250,000 deposited, and all of the funds placed on deposit must be collateralized by 110% of U.S. Treasury or Federal Agency securities, or by 150% of mortgages having maturities less than five years in accordance with Section 53652 of the California Government Code. The City must receive confirmation that these securities have been pledged in repayment of the time deposit. The securities pledged must be maintained at a current market value 10% greater than the dollar amount of the deposit.
5. The City must be given a current audited financial statement for the financial year just ended as well as the most recent quarterly statement of financial condition. The financial reports must both include a "statement of financial condition" as well as an "income statement" depicting current and prior year operations.
6. The City will not place a fund deposit for more than \$2,000,000, or 10% of the assets of the institution, whichever is less.
7. The City must receive a certificate of deposit which specifically expresses the terms governing the transaction, (i.e., the period of time, name of depositor, interest rate, etc.).
8. All time certificates must have a maturity period not exceeding two years from the date of deposit with quarterly payments of interest based upon the stated interest rate.
9. The City must also receive a letter from the comptroller and/or treasurer of the bank at the time the deposit is made, that there is no known pending financial disclosure or public announcement of an adverse financial event involving the bank or savings and loan, nor is there any knowledge that a conflict of interest situation exists with any City official, officer or employee at the time the bank is receiving this deposit. The City has a fiduciary responsibility to make prudent investment of public funds, and to assure its investment practices are absent of any financial inducement or conflict in interest whatsoever.
10. Time deposits will only be made with qualified banks and savings and loans having branch office locations within Santa Clara County. However, time deposits with a bank or savings

and loan must be centralized at one designated office location rather than making separate deposits with each branch office.

CITY OF MORGAN HILL
POLICY CRITERIA FOR SELECTING BROKER/DEALERS
SCHEDULE II

1. Each approved broker/dealer must possess an authorizing certificate from the California Commissioner of Corporations as required by Section 25210 of the California Corporations Code.

To be eligible, a firm must meet at least one of the following criteria:

1. be recognized as Primary Dealers by the Federal Reserve Bank of New York or have a primary dealer within their holding company structure, or
2. report voluntarily to the Federal Reserve Bank of New York, or
3. qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule).

The City Treasurer (for the City) and Director of Finance (for the Agency) will select broker/dealers on the basis of their expertise in public cash management and their ability to provide service to the account(s). Each authorized broker/dealer shall submit and annually update an approved Broker/Dealer Information Request form that includes the firm's most recent financial statements.

The City Treasurer (for the City) and Director of Finance (for the Agency) shall determine if the broker/dealers are adequately capitalized, make markets on securities appropriate to the City's needs and are recommended by managers of portfolios similar to the City's. The City Treasurer (for the City) or Director of Finance (for the Agency) shall submit his findings and recommendations to the City Council or Agency Board, as applicable. As part of their periodic review of the Investment Policy, the City Council and Agency Board will determine which broker/dealers will be authorized to trade with the City.

In the event that an external investment advisor is not used in the process of recommending a particular transaction in the City's or Agency's portfolio, authorized broker/dealers shall attest in writing that they have read and understand a copy of this Policy.

2. The net capital position of the firm shall be in excess of \$100 million.
3. The intent of the City Treasurer (for City) and Director of Finance (for Agency) is to enter into a long-term relationship. Therefore, the integrity of the firm and the personnel assigned to our account is of primary importance.
5. The firm must provide an active secondary market for the securities it sells.
6. The firm must specify the types of securities it specializes in and will be made available for the City's account.
7. It is important that the firm provide related services that will enhance the account relationship which could include:

- a) An active secondary market for its securities.
 - b) Internal credit research analysis on commercial paper, banker's acceptances and other securities it offers for sale.
 - c) Be willing to trade securities on the City's portfolio.
 - d) Be capable of providing market analysis, economic projections, newsletters.
 - e) Provide market education on new investment products, security spread relationships, graphs, etc.
- 8. The firm must be willing to provide annual financial statements.
 - 9. If requested, the firm must be willing to provide a list of local government clients or other references, particularly those client relationships established within the State of California.
 - 10. The City is prohibited from the establishment of a broker/dealer account for the purpose of holding the City's securities. All securities must be subject to delivery at the City's custodial bank.
 - 11. Without exception, all transactions are to be conducted on a "delivery vs. payment" basis.
 - 12. The broker/dealer shall be headquartered or have a branch office in California. The City will not conduct security transactions with any firm located out of state.
 - 13. The broker/dealer must have been in operation for more than 5 years.
 - 14. No business relationship shall be established with firms primarily engaged in the sale of "exotic" products. Exotic means "unusually high yields," no ready secondary market, "high price volatility" on the security.
 - 15. The firm must be registered with the State of California's regulatory agency.
 - 16. No broker/dealer or security firm shall be selected who has made a political contribution to the City Treasurer or any member of the City Council or Agency Board or to any candidate for these offices.

Broker/Dealer Questionnaire

Name of Firm:

Address:

Telephone No.:

Primary representative

Manager

Name:

Title:

Telephone No:

1. Are you a recognized primary dealer in Government securities?

() Yes

() No

2. If so, how long has your firm been a primary dealer?
_____ years.

3. Are you a retail or institutional broker?

4. What was your firm's total volume in U. S. Government and agency securities trading last year?

Firm-wide \$ _____

Your office \$ _____

5. Which instruments are offered regularly by your trading desk?

() T-bills

() BA's (domestic)

() T-notes and bonds

() BA's (foreign)

() Agencies (specify)

() Commercial Paper

FFCB, FHLB, FNMA () Bank C. D.'s

FHLMC, SLMA, TVA, GNMA _____ () S & L C. D.'s

WORLD BANK

() Repurchase Agreements

() Medium Term Corporate Notes

() Reverse Repurchase
Agreements

() Mutual Funds (eligible for public
investment)

6. Identify all personnel who will be trading with or quoting securities to the City.

Name

Title

Phone

7. Please identify your most directly comparable City/Local Agency clients in our geographical area.

Entity

Contact Person

Phone

Client Since

8. Is there anything in your background in the government securities business that makes you stand-out above the rest? Why should the City of Morgan Hill deal with you?
9. Have any of your public sector clients ever sustained a loss on a securities transaction arising from a misunderstanding or misrepresentation of the risk characteristics of a particular instrument? If so, please explain.
10. Has any public sector client ever claimed in writing that your firm was responsible for investment losses? Explain.
11. Has your firm consistently complied with the Federal Reserve's capital adequacy guidelines? Include certified documentation of your capital adequacy as measured by Federal Reserve standards.
12. Please provide certified financial statements and other statements regarding your firm's capitalization.
13. Please include samples of research reports that your firm regularly supplies to public sector clients.

14. Are you a Broker instead of a Dealer (i.e., you DO NOT own positions of securities)?
15. What reports, transactions, confirmations and paper trail would the City receive?
16. What training information would you provide to our employees and investment officers?
17. How many and what percentage of your transactions failed last month? Last year?
18. What portfolio information do you require from clients?

--CERTIFICATION--

I hereby certify that I have personally read the City of Morgan Hill's Investment Policy and the California Government Codes pertaining to the investments of the City of Morgan Hill, and have implemented reasonable procedures and a system of controls designed to preclude imprudent investment activities arising out of transactions conducted by our firm on behalf of the City of Morgan Hill, considering the City's investment objectives, strategies and risk constraints. We pledge to exercise due diligence in informing the City Treasurer and staff of all foreseeable risks associated with financial transactions conducted with our firm. I attest to the accuracy of our responses to the above questionnaire.

NOTE: Completion of this questionnaire is only part of the City of Morgan Hill's Certification process and DOES NOT guarantee that the applicant will be approved to do business with the City.

SIGNED
(Account Representative)

SIGNED
(Countersigned by Company President or person in charge of government securities operations.)

DATED

CITY OF MORGAN HILL
FIRMS AUTHORIZED TO CONDUCT INVESTMENT TRANSACTIONS
SCHEDULE III

The City is authorized to conduct investment security transactions with the following investment firms and broker/dealers, many of which are designated by the Federal Reserve as primary government dealers. Security transactions with firms other than those appearing on this list are prohibited.

A. Firms designated by the Federal Reserve as Primary Government Dealers:

Bank of Nova Scotia, New York Agency
BMO Capital Markets Corp.
BNP Paribas Securities Corp.
Barclays Capital Inc.
Cantor Fitzgerald & Co.
Citigroup Global Markets Inc.
Credit Suisse Securities (USA) LLC
Daiwa Capital Markets America Inc.
Deutsche Bank Securities Inc.
Goldman, Sachs & Co.
HSBC Securities (USA) Inc.
Jefferies & Company, Inc.
J.P. Morgan Securities, LLC
Merrill Lynch, Pierce, Fenner & Smith, Inc.
Mizuho Securities USA, Inc.
Morgan Stanley Smith Barney
Nomura Securities International, Inc.
RBC Capital Markets, LLC
RBS Securities Inc.
Societe Generale, New York Branch
TD Securities (USA) LLC
UBS Securities, LLC
Wells Fargo Securities, LLC

B. Other authorized firms:

D. A. Davidson and Company
Fundamental Capital Markets
Morgan Keegan & Company, Inc.
UnionBanc Investment Services

CITY OF MORGAN HILL
Authorized Investments Ranked by Authority and Degree of Risk
~~May 6, 2020~~ August 17, 2022

SCHEDULE IV

AUTHORIZED INVESTMENTS	DIVERSIFICATION	PURCHASE RESTRICTIONS
U.S. TREASURY BILLS & NOTES	No Limit	No Limit
DREYFUSS TREASURY CASH MANAGEMENT FUND	No Limit	No Limit
U.S. GOVERNMENT AGENCIES AND GOVERNMENT SPONSORED ENTERPRISES	No Limit	No Limit
LOCAL AGENCY INVESTMENT FUND	No Limit	Maximum Set by Gov't Code
<u>CALIFORNIA CLASS</u>	<u>Max 5% of portfolio</u>	<u>No Limit</u>
TIME DEPOSITS	Max 5% of portfolio	Max \$2 million per institution Collateral = 110% to 150%
MONEY MARKET MUTUAL FUNDS	Max 20% of portfolio	No Limit
REPURCHASE AGREEMENTS	Not Authorized	Not Authorized
BANKERS' ACCEPTANCES	Not Authorized	Not Authorized
COMMERCIAL PAPER	Not Authorized	Not Authorized
MEDIUM-TERM CORPORATE NOTES	Not Authorized	Not Authorized
NEGOTIABLE CD'S	Max 5% of portfolio	Up to FDIC insured legal limit per FDIC insured institution
REVERSE REPURCHASE AGREEMENTS	Not Authorized	Not Authorized
ASSET BACKED SECURITIES	Not Authorized	Not Authorized
STATE & LOCAL INDEBTEDNESS	Not Authorized	Not Authorized

GLOSSARY

AGENCY: Debt issued by an agency of the federal government that is explicitly guaranteed by the full faith and credit of the United States government. The Government National Mortgage Association (GNMA or Ginnie Mae), is an example of an agency issuer.

ASKED: The price at which securities are offered. (The price at which a firm will sell a security to an investor.)

BANKERS' ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BASIS POINT: One one-hundredth of a percent (i.e., 0.01%).

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.)

BROKER: A broker brings buyers and sellers together for a commission. A broker does not take a position.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COUPON: a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for its own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value (e.g., U.S. Treasury Bills).

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FANNIE MAE (FNMA): FNMA was chartered under the Federal National Mortgage Association Act in 1938. The corporation's purpose is to purchase and securitize mortgages in order to ensure that funds are consistently available to the institutions that lend money to home buyers. It is the largest single provider of residential mortgage funds in the United States. On September 7, 2008, Fannie Mae was placed into conservatorship of the FHFA. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions (e.g. S&L's, Small business firms, students, farmers, farm cooperatives, and exporters).

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A Federal agency that insures bank deposits, currently up to \$250,000 per deposit.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-a-vis member commercial banks.

FEDERAL INSTRUMENTALITY SECURITY: Debt issued by a government sponsored enterprise that carries an implicit guarantee of the United States government. Examples of instrumentality issuers include the Federal National Mortgage Association (FNMA or Fannie Mae), the Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac), the Federal Home Loan Banks (FHLB), and the Federal Farm Credit Bank (FFCB).

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C.; 12 regional banks and about 5,700 commercial banks are member of the system.

GINNIE MAE (GNMA): GNMA was created by the United States Federal

Government through a 1968 partition of the Federal National Mortgage Association to provide guarantees on mortgage-backed securities (MBS) backed by federally insured or guaranteed loans. Ginnie Mae securities are the only MBS that are backed by the full faith and credit of by the United States government.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL: A local government investment pool is an investment option offered to public entities for the aggregate investment of public funds from political subdivisions. The funds are placed in the custody of the manager, frequently a State Treasurer, for investment and reinvestment. These pools are investments tools that offer safety with a competitive yield and their managers are vested with a public trust that the pool will maintain liquidity, diversity, and follow the investment pool's guidelines.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MARKET REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

OFFER: The price asked by a seller of securities. (When you are buying securities,

you ask for an offer.) See “Asked” and “Bid”.

OPEN MARKET OPERATIONS:

Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit. Sales have the opposite effect. Open market operations are the Federal Reserve’s most important and most flexible monetary policy tool.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker/dealers, banks and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state--the so-called “legal list”. In other states, the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity; on a bond, the current income return.

REPURCHASE AGREEMENT (RP or REPO): a holder of securities sells these securities to an investor with an agreement to purchase them at a fixed date. The security

“buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money, that is, increasing bank reserves.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank’s vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three month, six months or one year.

TREASURY BOND: Long-term U.S. Treasury securities having initial maturities of more than 10 years.

TREASURY NOTES: Intermediate-term coupon bearing U.S. Treasury securities having initial maturities of from one year to ten years.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD or YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

CITY COUNCIL STAFF REPORT

MEETING DATE: August 17, 2022

PREPARED BY:

Mario Ramirez, Police Captain

APPROVED BY: City Manager

AUTHORIZE THE CITY MANAGER TO AMEND THE AGREEMENT WITH FLOCK SAFETY TO ADD AN ADDITIONAL 25 FLOCK SAFETY AUTOMATED LICENSE PLATE READERS

RECOMMENDATION(S)

Authorize the City Manager to amend the Agreement with Flock Safety to add an additional 25 Flock Safety cameras for a one-time cost of \$74,750 for infrastructure and software upgrade, with an on-going annual cost of \$66,000.

Estimated Time: 5 Minutes

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

Maintaining and Enhancing Infrastructure

Advancing Regional Initiatives

2022-2023 Strategic Priorities

Fiscal Sustainability

Guiding Documents

Public Safety Master Plan

REPORT NARRATIVE:

Flock Safety provides automatic license plate reader (ALPR) cameras for public safety organizations and private citizens. Flock Safety's mission is to eliminate non-violent crime with city-wide coverage of ALPR cameras. Flock Safety cameras are currently utilized in over 1000 cities, 38 states, and over 500 police departments, including the Milpitas Police Department, Los Gatos Police Department, Santa Clara Police Department, Gilroy Police Department, San Jose Police Department, and the Santa Clara Sheriff's Office.

In August 2021, the Police Department deployed 25 flock cameras throughout the City. Since then, the Flock Safety camera system has been extremely successful and has assisted in the arrest of 127 criminals and the recovery of 170 stolen vehicles. In

comparison, during the prior year, the Police Department had only recovered 16 stolen vehicles—a 963% increase.

Flock Safety systems are commonly thought of as a resource to find stolen vehicles; however, that is only part of their benefit. In addition to locating stolen vehicles, the police department has recently used Flock Safety cameras to help solve crime types such as commercial burglaries, in-progress burglars, felony assaults, package/mail theft investigations, wanted persons, two homicide suspects, an attempted homicide suspect, at-risk missing persons and more. Over 95% of arrests resulting from Flock Safety camera alerts are suspects who reside outside the City of Morgan Hill.

Flock Safety cameras are activated by motion, capturing a photo of the vehicle, including vehicles with no license plates, temporary license plates, and dirty/covered license plates. These photos can be used as evidence and are searchable for 30-days by vehicle type, make, model, color, timeframe, or license plate details to aid officers in solving crimes. Traditional ALPR technology uses infrared (IR) technology to scan the metal license plates, effective only if the reflective coating is still on the license plate.

Police Department staff recommends the addition of 25 more Flock Safety cameras to provide comprehensive coverage throughout the City at key ingress/egress points and other strategic locations inside the City limits. Locations of these cameras will be available on our Morgan Hill Police [website](#) or upon request.

Increased ALPR and video surveillance requires a delicate balance between collecting open-source public information and information accessible only to law enforcement, in order to maintain the privacy and safety of our community. The Police Department understands this balance and, as such, held two townhall meetings in summer 2021 and implemented a policy that incorporated feedback from our community and civil rights best practices, such as a 30-day retention policy and need to know, right to know access.

Flock Safety is the sole manufacturer and developer of the Flock Safety ALPR Camera. Flock Safety is also the sole provider of comprehensive monitoring, processing, and machine vision services that integrate with the Flock Safety ALPR Camera. The Flock Safety ALPR camera is the only law enforcement grade ALPR system to offer the following combination of features:

- Machine vision to analyze vehicle license plates, state recognition, vehicle color, vehicle type, and vehicle make
- Machine vision to capture and identify characteristics of vehicles with paper license plates and vehicles with the absence of a license plate
- Ability to capture two lanes of traffic simultaneously with a single camera from a vertical mass
- Wireless deployment of license plate reading camera with integrated cellular communication weighing less than 5lbs and able to be powered solely by a solar

panel of 60W or less

- Ability to capture and process up to 30,000 vehicles per day with a single camera powered exclusively by solar power
- On-device machine processing to limit LTE bandwidth consumption
- Cloud storage of footage
- Direct integration with Axon Evidence.com
- Web-based footage retrieval tool with filtering capabilities such as vehicle color, vehicle type, vehicle manufacturer, partial or license plate, state of the license plate, and object detection
- Privacy controls to enable certain vehicles to opt out of being captured on film
- Performance monitoring software to predict potential failures, obstructions, tilts, and other critical or minor issues
- Cover industrial design to minimize visual pollution

Due to their wireless nature and use of integrated cellular communication, the cameras do not rely on any existing City Internet or Wi-Fi infrastructure to be deployed, thus reducing the need for City staff to maintain and/or support the deployed cameras.

Cloud storage of data can store data locally and/or send/store data through the Northern California Regional Intelligence Center (NCRIC). NCRIC is a Federal, State, and Local public safety government program that helps safeguard each of our communities by serving as a dynamic security nexus that is connected to the National Network of Fusion Centers and our nation's High-Intensity Drug Trafficking Areas. Flock Safety integrates a web-based retrieval tool with filtering capabilities such as vehicle color, partial/full license plate, and object detection: performance monitoring software to predict potential failures, obstructions, tilts, and other critical or minor issues. Web-based data access with no per-user license fee.

While other ALPR camera systems are available from vendors such as PIPS Technology, Vigilant Solutions, and V5 Systems, Flock Safety Inc. offers an ALPR program in which the Police Department retains the cameras on an as-needed basis rather than permanently retained like cameras from other vendors. Should the Police Department end its partnership with Flock Safety Inc., there is no need to sell cameras or attempt to locate another vendor that would be able to repurpose the cameras for additional use. Upon ending the partnership, the Police Department would merely return the hardware and not incur any financial loss for hardware or licensing other than the payment for the term the products were used. Other vendors do not have a similar model, and if the partnership is terminated, the Police Department would retain the equipment, which would essentially have no usefulness.

COMMUNITY ENGAGEMENT:

This staff report serves to inform the community of the City's desire to amend the Agreement with Flock Safety to add an additional 25 Flock Safety cameras.

ALTERNATIVE ACTIONS:

The City Council could decide to not move forward with the additional cameras.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

Community Stakeholders Meeting, July 29, 2021.

Community Townhall Meeting, August 12, 2021.

City Council Meeting, October 6, 2021, Council approved a lease agreement with Flock Safety for the initial 25 cameras.

City Council Meeting, June 15, 2022, Council approved the budgetary item for the additional 25 Flock Safety Cameras.

FISCAL AND RESOURCE IMPACT:

In Fiscal Year 2022-2023, the initial cost to deploy the additional 25 cameras is \$74,750 for infrastructure, software upgrade and professional services. The recurring yearly cost for the additional 25 cameras starting in 2023-2024 is \$66,000. The total cost for all 50 cameras in year one (2022-2023 fiscal year) will be \$136,750. The total cost for all 50 cameras in year two (2023-2024 fiscal year) will be \$128,000.

Sufficient funds were appropriated during the two-year budget development process to add the additional 25 cameras and continue the lease of the 25 existing cameras.

CEQA (California Environmental Quality Act):

Not a Project.

This Agreement entails organizational or administrative activities of governments and will not result in direct or indirect physical changes in the environment.

flock safety

Created Date 7/14/2022

Expiration Date 8/26/2022

Quote Number 00002960

Prepared By Kyle Egkan

Contact Name Mario Ramirez

Phone 7144690389

Email mario.ramirez@morganhill.ca.gov

Email kyle.egkan@flocksafety.com

Bill To Name CA - Morgan Hill PD

Product	Description	List Price	Sales Price	Quantity	Total Price
Falcon Camera	Law enforcement grade infrastructure-free (solar power + LTE) license plate recognition camera with Vehicle Fingerprint™ technology (proprietary machine learning software) and real-time alerts for unlimited users.	\$2,500.00	\$2,500.00	25.00	\$62,500.00
Flock Safety Advanced Search 25-49 Falcons	Software upgrade designed to unlock more investigative leads and build stronger cases with less information. Advanced Search includes Convoy Analysis, Multi Geo Search, Visual Search, and Cradlepoint Integration for Automatic Vehicle Location (AVL).	\$3,500.00	\$3,500.00	1.00	\$3,500.00
Professional Services - Falcon, Standard Implementation	One-time Professional Services engagement. Includes site & safety assessment, camera setup & testing, and shipping & handling in accordance with the Flock Safety Standard Implementation Service Brief.	\$350.00	\$350.00	25.00	\$8,750.00

Total Price \$74,750.00

Recurring Total \$66,000.00

By executing this Order Form, Agency represents and warrants that it has read and agrees to all of the terms and conditions contained in the Terms attached. The Parties have executed this Agreement as of the dates set forth below.

FLOCK GROUP, INC.

Agency: CA - Morgan Hill PD

By: _____

By: _____

Name: _____

Name: Mario Ramirez

Title: _____

Title: Police Captain

Date: _____

Date: _____

Name	Price/Usage Fee	QTY	Subtotal
Professional Services - Falcon, Standard Implementation	\$350.00	25.00	\$8,750.00
Falcon Camera	\$2,500.00	25.00	\$62,500.00
Flock Safety Advanced Search 25-49 Falcons	\$3,500.00	1.00	\$3,500.00

(Includes one-time fees)

Year 1 Total: \$74,750.00

Recurring Total: \$66,000.00

Special terms:

• N/A

FLOCK GROUP INC.

ADDITIONAL SERVICES AGREEMENT

This Agreement combined with the existing agreement referenced in **Exhibit A** describe the relationship between Flock Group Inc. ("Flock") and the customer identified below ("Customer") (each of Flock and Customer, a "Party"). This order form ("Order Form") hereby incorporates and includes the terms of the previously executed agreement (the "Terms") which describe and set forth the general legal terms governing the relationship (collectively, the "Agreement"). The Terms contain, among other things, warranty disclaimers, liability limitations and use limitations.

This additional services Agreement will be effective when this Order Form is executed by both Parties (the "Effective Date").

Agency: CA - Morgan Hill PD Legal Entity Name:	Contact Name: Mario Ramirez
Address: 16200 Vineyard Blvd Morgan Hill, California 95037	Phone: (408) 779-2101 E-Mail: mario.ramirez@morganhill.ca.gov
Expected Payment Method:	Billing Contact: (if different than above)

Initial Term: 24 months Renewal Term: 24 months	Billing Term: Annual payment due Net 30 per terms and conditions
--	---

Sales tax will be added to all fees as applicable. **If your organization is tax exempt, please check this box:**
and email your Sales Tax Exemption Certificate to billing@flocksafety.com.

CITY COUNCIL STAFF REPORT

MEETING DATE: August 17, 2022

PREPARED BY:

Adam Paszkowski, Principal Planner

APPROVED BY: City Manager

PUBLIC REVIEW OF THE DRAFT CITY OF MORGAN HILL 2023-2031 HOUSING ELEMENT UPDATE AND APPROVE SUBMISSION OF CITY OF MORGAN HILL 2023-2031 HOUSING ELEMENT UPDATE TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

RECOMMENDATION(S)

Review the Draft City of Morgan Hill 2023-2031 Housing Element Update and adopt the Resolution directing the City to submit the Draft 2023-2031 Housing Element to the California Department of Housing and Community Development for review.

Estimated Time:

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Supporting our Youth, Seniors, and Entire Community

Enhancing Diversity and Inclusiveness

Advancing Regional Initiatives

2022-2023 Strategic Priorities

Affordable Housing and Homelessness

Guiding Documents

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

Each California city and county must update its General Plan Housing Element every eight years to adequately plan to meet the existing and projected housing needs for all economic segments of the community. The community's housing needs are determined through the Regional Housing Needs Allocation (RHNA) process. RHNA is the state-mandated process to identify the number of housing units, by affordability level, that each jurisdiction must accommodate in the Housing Element of its General Plan. As part of this process, the City of Morgan Hill must plan for 1,037 housing units by household income category for the 2023-2031 planning period as identified in the table below. The City is in the enviable position of meeting the required 1,037 units with the

current project pipeline already in progress.:

Morgan Hill's 2023-2031 Regional Housing Needs Allocation					
	Very Low- Income	Low-Income	Moderate- Income	Above Moderate- Income	Total
Final Allocation	262	151	174	450	1,037

State law mandates updates to the Housing Element no later than January 2023 for the 2023-2031 planning period. In order to meet that mandate, the Housing Element Update must be adopted by the City Council and certified by the California Department of Housing and Community Development (HCD) prior to that date. The City prepared the Draft 2023-2031 Housing Element Update (Attachment 2), which includes the following components:

- Chapter 1: Introduction. Provides an overview of the Housing Element, State requirements, and a summary of the organization of the Housing Element.
- Chapter 2: Community Engagement. Describes the City's efforts to engage all segments of the community during the preparation of the Housing Element, including the numerous individuals, organizations, and agencies with which the City consulted, and the methods of community outreach.
- Chapter 3: Summary of Land Available for Housing. Presents a summary of the City's Regional Housing Needs Allocation and the inventory of sites within Morgan Hill City Limits that are suitable for residential development during the planning period.
- Chapter 4: Goals and Policies. Contains the City's housing goals and policies that provide direction to help the City meet its housing goals. The Housing Element includes seven goals that create the framework for how the City will address housing needs.
- Chapter 5: Implementation. Contains the implementation programs (actions) that the City and its partner agencies are committed to implementing over the planning period. A summary of the City's quantified objectives for housing development, rehabilitation, and conservation is also included.

The Draft 2023-2031 Housing Element Update also includes the following appendices:

- Appendix H-1: Housing Needs Assessment. Describes the characteristics of Morgan Hill's population and housing that are essential to understanding the City's housing needs including population and household characteristics, income and employment, housing costs and affordability, special housing needs, and at-risk housing (Attachment 3).
- Appendix H-2: Site Inventory. Presents the detailed results of the inventory of sites within the City that are suitable for residential development during the eight-year planning period. It includes a description of the City's RHNA, number of residential units in the pipeline of planned and entitled projects, and a summary

- of capacity/potential to accommodate the City's RHNA (Attachment 4).
- Appendix H-3: Opportunities for Energy Conservation. Summarizes the ways the City is currently addressing the conservation of energy resources as part of larger climate action and adaptation planning processes (Attachment 5).
- Appendix H-4: Constraints Analysis. Identifies nongovernmental and governmental constraints that inhibit the development, maintenance, or improvement of housing (Attachment 6).
- Appendix H-5: Assessment of Fair Housing. Provides an assessment of fair housing practices in Morgan Hill and a summary of strategies to affirmatively further fair housing within Morgan Hill (Attachment 7).
- Appendix H-6: Evaluation of Past Housing Element. Summarizes the City's achievements in implementing programs under the previous (2015-2023) Housing Element (Attachment 8).
- Appendix H-7: Public Participation. Includes the compilation of community input and feedback received during the various meetings and engagement events (Attachment 9).

The Housing Element includes seven goals that create the framework for how the City of Morgan Hill will address housing needs during the planning period. The Draft 2023-2031 Housing Element includes the following Goals:

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

Additional details of the Draft 2023-2031 Housing Element are provided in the Planning Commission staff report (<https://morganhillca.civicclerk.com/Web/GenFile.aspx?ar=442>).

The Planning Commission held a public hearing regarding the Draft 2023-2031 Housing Element on July 26, 2022; during the Planning Commission meeting, a representative of the nonprofit organization Housing Choices, Senior Housing Advocate Kalisha Webster, spoke during public comment stating that they were retained by the San Andreas Regional Center to submit an assessment of housing needs of Morgan Hill residents with developmental disabilities. The commenter indicated that they submitted data to the City that was not incorporated into the Draft 2023-2031 Housing Element, and that the definition of developmental disabilities stated within the Draft 2023-2031 Housing Element was incorrectly defined. Although the Draft 2023-2031

Housing Element did include data regarding Morgan Hill residents with developmental disabilities, the data collected and stated in the Draft 2023-2031 Housing Element was from the year 2020. The data provided by Housing Choices reflects data from the year 2021. Therefore, Staff has revised the Draft 2023-2031 Housing Element as well as Appendix H1: Housing Needs Assessment and Appendix H5: Assessment of Fair Housing to reflect the 2021 data from Housing Choices; in addition, Staff has corrected the definition of developmental disabilities within Appendix H1: Housing Needs Assessment.

Redlines within the document and appendices represent changes from public comment as noted in the above paragraph as well as comments received during the 30 day public review period and Planning Commission review.

If the City Council directs staff to submit the Draft 2023-2031 Housing Element to HCD for review, HCD will have 90 days to review the Draft 2023-2031 Housing Element. Upon conclusion of HCD's review, the City may need to revise the Housing Element in response to HCD's comments prior to adopting the 2023-2031 Housing Element, which is expected to occur in January 2023.

COMMUNITY ENGAGEMENT:

Involve

The City implemented an outreach and engagement program to inform the community and seek input regarding the Housing Element Update. The initial efforts began in May and June of 2021, with a series of workshops. The initial workshops served as a springboard to leap into a deeper community engagement process. The City used a variety of methods to solicit public input on the Housing Element update, including distributing three surveys (two pertaining to Assessment of Fair Housing (AFH)), hosting public workshops, providing information at community events, conducting focus groups, giving presentations to the Community, and holding several workshops with the community and the Planning Commission. The City prioritized involvement and engagement of residents and community members that are most directly impacted by the plan and development, especially Latinx, homeless, and other underrepresented or underserved groups.

The City held 25 virtual stakeholder focus group meetings from January 2022 through March 2022 to gather input from various stakeholders, including developers, home builders, non-profit organizations, advocacy groups, and public agencies on key housing issues. The City also issued a follow-up survey to the stakeholders to address barriers to accessing decent, safe, affordable housing and which housing priorities are most important for Morgan Hill.

The City held workshops with the Planning Commission on January 25, February 22, March 8, April 12, April 26, May 10, and May 24, 2022 to share work progress to date and obtain early direction and feedback. The City also held a virtual Citywide Town Hall on June 23, 2022 to accompany the release of the Public Draft Housing Element.

In accordance with State law, a display ad was placed in the newspaper notifying the public of the 30-day public review period. Additionally, a Housing Element Update webpage was established on the City's website and the City Council Agenda and the Staff Report for this public meeting was also made available on the City's website.

ALTERNATIVE ACTIONS:

If the City Council does not direct staff to submit the Draft 2023-2031 Housing Element to the California Department of Housing and Community Development for review, the City may not be able to meet the January 31, 2023 deadline to adopt a certified Housing Element by the California Department of Housing and Community Development. If the City does not adopt a certified Housing Element, the City may be found in non-compliance by the State and could be issued court-imposed fines of up to \$600,000 per month, as well as, potential lawsuits with consequences that include court-mandated compliance, court approval of housing development, suspension of local ability to issue building permits, and authority replaced by a State appointed oversight agency. A handout highlighting incentives and consequences for Housing Element compliance/noncompliance is attached.

Alternatively, the City Council may direct staff to submit the Draft 2023-2031 Housing Element to the California Department of Housing and Community Development for review with specific modifications to the Draft Housing Element.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On July 26, 2022, the Planning Commission considered and recommended, unanimously, the City Council direct staff to submit the Draft 2023-2031 Housing Element to the California Department of Housing and Community Development for review.

FISCAL AND RESOURCE IMPACT:

This item is included in the current adopted budget (FY22-23 and FY23-24) and is part of the Long Range Planning workplan and is funded through the Long Range Planning Fund (207). In addition, Long Range Planning secured grant funding through the Local Early Action Planning Grants Program (LEAP) in the amount of \$150,000 for the preparation and development of the City of Morgan Hill's 2023-2031 Housing Element Update and the Regional Early Action Planning Grant (REAP) in the amount of \$27,371 to support the preparation of an Initial Study/Addendum relating to the City of Morgan Hill's 2023-2031 Housing Element Update.

CEQA (California Environmental Quality Act):

Pursuant to the provisions of the California Environmental Quality Act (CEQA), the City will be preparing an addendum for when the City Council considers the adoption of the 2023-2031 Housing Element, pursuant to CEQA Guidelines Section 15164.

RESOLUTION NO. 22-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL DIRECTING STAFF TO SUBMIT THE DRAFT 2023-2031 HOUSING ELEMENT TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (HCD) FOR REVIEW

WHEREAS, the State of California requires cities and counties to adopt a comprehensive, long-term General Plan for the physical development of the City;

WHEREAS, the Housing Element is one of seven mandated elements of the General Plan and must address the existing and projected housing needs for all economic segments of the community;

WHEREAS, State law requires Housing Elements to be updated and certified by the California Department of Housing and Community Development (HCD) every eight years;

WHEREAS, the City of Morgan Hill has prepared the Draft 2023-2031 Housing Element in accordance with State law;

WHEREAS, the Draft 2023-2031 Housing Element includes goals to accomplish the following:

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

WHEREAS, the Draft 2023-2031 Housing Element includes specific Housing Programs to implement the goals outlined above;

WHEREAS, pursuant to the California Environmental Quality Act (CEQA), the City will be preparing an addendum for when the City Council considers the adoption of the 2023-2031 Housing Element, pursuant to CEQA Guidelines Section 15164;

WHEREAS, such request was considered and recommended for submittal by the Planning Commission at its regular meeting of July 26, 2022;

WHEREAS, such request was considered by the City Council at its regular meeting of August 17, 2022; and

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

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

SECTION 1. The Draft 2023-2031 Housing Element is found to be consistent with the policies and provisions of the Morgan Hill 2035 General Plan as described in the staff report to the Planning Commission, incorporated herein by this reference.

SECTION 2. The Planning Commission and City Council's action to direct Staff to submit the Draft 2023-2031 Housing Element to HCD for review is exempt from CEQA pursuant to CEQA Guidelines Section 15164, as the City will be preparing an addendum for when the City Council considers the adoption of the 2023-2031 Housing Element.

SECTION 3. The City Council directs Staff to submit the Draft 2023-2031 Housing Element to HCD for review.

PASSED AND ADOPTED THIS 17th DAY OF AUGUST 2022, AT A 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

RICHARD CONSTANTINE, 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. , adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the ____ day of _____, 2022.

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

DATE: _____

MICHELE BIGELOW, City Clerk

City of Morgan Hill

Housing Element

Adopted XXXXX XX, 2022

DRAFT

Table of Contents

City of Morgan Hill Housing Element

CHAPTER 1 Introduction	1
Morgan Hill's Eight-Year Housing Strategy	1
State Requirements	2
Housing Element Organization	3
General Plan Consistency	5
 CHAPTER 2 Community Engagement	 7
Summary of Outreach Activities	8
 CHAPTER 3 Summary of Land Available for Housing	 11
Regional Housing Needs Allocation	11
Inventory of Housing Capacity	13
Capacity to Accommodate the RHNA	16
 CHAPTER 4 Goals and Policies	 17
Goal 1: Provide a diversified housing stock to meet the full range of future community housing needs	18
Goal 2: Encourage Extremely Low-Income (ELI) housing production, increasing availability of affordable and workforce housing	20
Goal 3: Advance equity and inclusion throughout the City	24
Goal 4: Preserve and rehabilitate existing housing supply	25
Goal 5: Promote Housing for people experiencing homelessness	28
Goal 6: Provide adequate housing for groups with special needs	30
Goal 7: Increase community outreach and promote education of affordable housing	33
 CHAPTER 5 Implementation	 35
Implementation Programs/Actions	36
Quantified Objectives	54
 APPENDICIES	
H-1 Housing Needs Assessment	
H-2 Site Inventory	
H-3 Opportunities for Energy Conservation	
H-4 Constraints Analysis	
H-5 Assessment of Fair Housing	
H-6 Evaluation of Past Performance	
H-7 Public Participation	

Figures

Figure 1-1	Morgan Hill General Plan Land Use Map	5
Figure 3-1	Morgan Hill Residential Entitled & Proposed Projects	13
Figure 4-1	Cost-Burdened by Tenure in Morgan Hill, 2019	19
Figure 4-2	Cost-Burdened by Income Level in Morgan Hill, 2019	19

Tables

Table 3-1 Regional Housing Needs Allocation, City ofMorgan Hill 2023-2031 11

Table 3-2 HCD Income Limits based on Persons per Household, 2020 11

Table 3-3 Total Pipeline Development Potential, by Income Category..... 13

Table 3-4 Summary of Residential Capacity/Potential Compared to 6th Cycle RHNA by Income, City of Morgan Hill, January 31, 2023 to January 31, 2031 14

Table 4-1 Housing Stock by Year Built 23

Table 5-1 Quantified Objectives..... 52

DRAFT



CHAPTER 1 | Introduction

Housing continues to be one of the biggest challenges in Morgan Hill and throughout California.

With Morgan Hill seeing some of the highest increases in rent in recent years and home prices continuing to rise, the City is facing an unprecedented housing crisis. As housing becomes less affordable and the supply of housing continues to not meet demand, it is becoming harder for residents, especially low- and middle-income families and individuals, to afford housing.

Gentrification and displacement pressures have intensified, and homelessness continues to increase in the City. Morgan Hill's most vulnerable communities, including low- and middle-income households and communities of color, continue to be disproportionately affected by the housing crisis.

The City has taken a number of actions to accelerate the production of housing and to address the housing issues of current residents, but a more holistic plan is needed to address this complex issue.

Morgan Hill's Eight-Year Housing Strategy

This Housing Element is the City's eight-year housing strategy and commitment for how it will meet the housing needs of everyone in the community. This housing strategy, which covers the planning period of January 31, 2023, to January 31, 2031, will help address the housing crisis in Morgan Hill through a number of goals, policies, and actions that focus on expanding the housing stock and offering a wider range of housing choices for everyone in the City.

The Housing Element is mandated by State law and is part of the City's General Plan. It outlines the City's strategy for housing and how it will comprehensively address the existing and projected housing needs of everyone in the City for the next eight years (2023-2031).

This Housing Element presents an important opportunity for the City to address housing issues in a comprehensive manner and develop a bold and implementable housing strategy.

The Regional Housing Needs Allocation (RHNA) projection period is January 31, 2023, to January 31, 2031 (see Chapter 3 for more details).

Equity, inclusion, and diversity are themes that are woven throughout the document and reflected in a number of policies and actions. The City aims to ensure that Morgan Hill is an equitable and inclusive city by protecting and providing opportunities to those residents who are most vulnerable.

State Requirements

State law recognizes the vital role local governments play in the supply and affordability of housing. Each local government in California is required to adopt a housing element, which is one of the eight mandated elements of the General Plan. The City is required to prepare an annual progress report on the status and progress of implementing its housing element.

The purpose of this Housing Element is to:

- ❖ Identify the City's housing needs;
- ❖ State the community's goals and objectives with regard to housing production, rehabilitation, and conservation to meet those needs; and
- ❖ Define the policies and programs that will be implemented to achieve goals and objectives.

State law (Government Code Section 65583) requires the City to adopt a Housing Element that addresses the needs of everyone in the community, at all income levels.

HOUSING ELEMENT REQUIREMENTS

- ❖ An analysis of existing and projected housing needs
- ❖ An inventory of land suitable for housing
- ❖ An analysis of potential constraints on housing
- ❖ A fair housing analysis
- ❖ An analysis of any special housing needs
- ❖ Identification of zone(s) where emergency shelters are allowed by-right
- ❖ An evaluation of the previous element
- ❖ An analysis of opportunities for residential energy conservation
- ❖ An analysis of assisted housing developments that are "at-risk" and eligible to change from low-income housing uses
- ❖ Goals, policies, and implementation programs

In order for the private market to adequately address the housing needs and demand of Californians, local governments must adopt plans and regulatory systems that provide opportunities for (and do not unduly constrain), housing development. As a result, housing policy in California rests largely on the effective implementation of local general plans and, in particular, local housing elements.

- California Department of Housing and Community Development (HCD)

Housing Element Organization

This Housing Element and associated appendices satisfy the requirements of State law (Government Code Section 65583(a)) and are organized as follows:

Housing Element Contents

The Housing Element is divided into the following chapters:

1. Introduction provides an overview of the Housing Element, State requirements, and a summary of the organization of the Housing Element.

2. Community Engagement describes the City's efforts to engage all segments of the community during the preparation of the Housing Element, including the numerous individuals, organizations, and agencies with which the City consulted, and the methods of community outreach.

3. Summary of Land Available for Housing presents a summary of the City's Regional Housing Needs Allocation and the inventory of sites within Morgan Hill City Limits that are suitable for residential development during the planning period.

4. Goals and Policies contains the City's housing goals and policies that provide direction to help the City meet its housing goals. The Housing Element includes seven goals that create the framework for how the City will address housing needs.

5. Implementation contains the implementation programs (actions) that the City and its partner agencies are committed to implementing over the planning period. A summary of the City's quantified objectives for housing development, rehabilitation, and conservation is also included.



HOUSING ELEMENT GOALS

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

Appendices

The following appendices contain important information and analysis to inform and support the Housing Element. They provide the foundation for the goals, policies, and actions.

H-1 Housing Needs Assessment

describes the characteristics of Morgan Hill's population and housing that are essential to understanding the City's housing needs including population and household characteristics, income and employment, housing costs and affordability, special housing needs, and at-risk housing.

H-2 Site Inventory presents the detailed results of the inventory of sites within the City that are suitable for residential development during the eight-year planning period. It includes a description of the City's RHNA, number of residential units in the pipeline of planned and entitled projects, and a summary of capacity/potential to accommodate the City's RHNA.

H-3 Opportunities for Energy Conservation summarizes the ways the City is currently addressing the conservation of energy resources as part of larger climate action and adaptation planning processes.

H-4 Constraints Analysis identifies nongovernmental and governmental constraints that inhibit the development, maintenance, or improvement of housing.

H-5 Assessment of Fair Housing provides an assessment of fair housing practices in Morgan Hill and a summary of strategies to affirmatively further fair housing within Morgan Hill.

H-6 Evaluation of Past Housing Element summarizes the City's achievements in implementing programs under the previous (2015-2023) Housing Element.

H-7 Public Participation includes the compilation of community input and feedback received during the various meetings and engagement events.

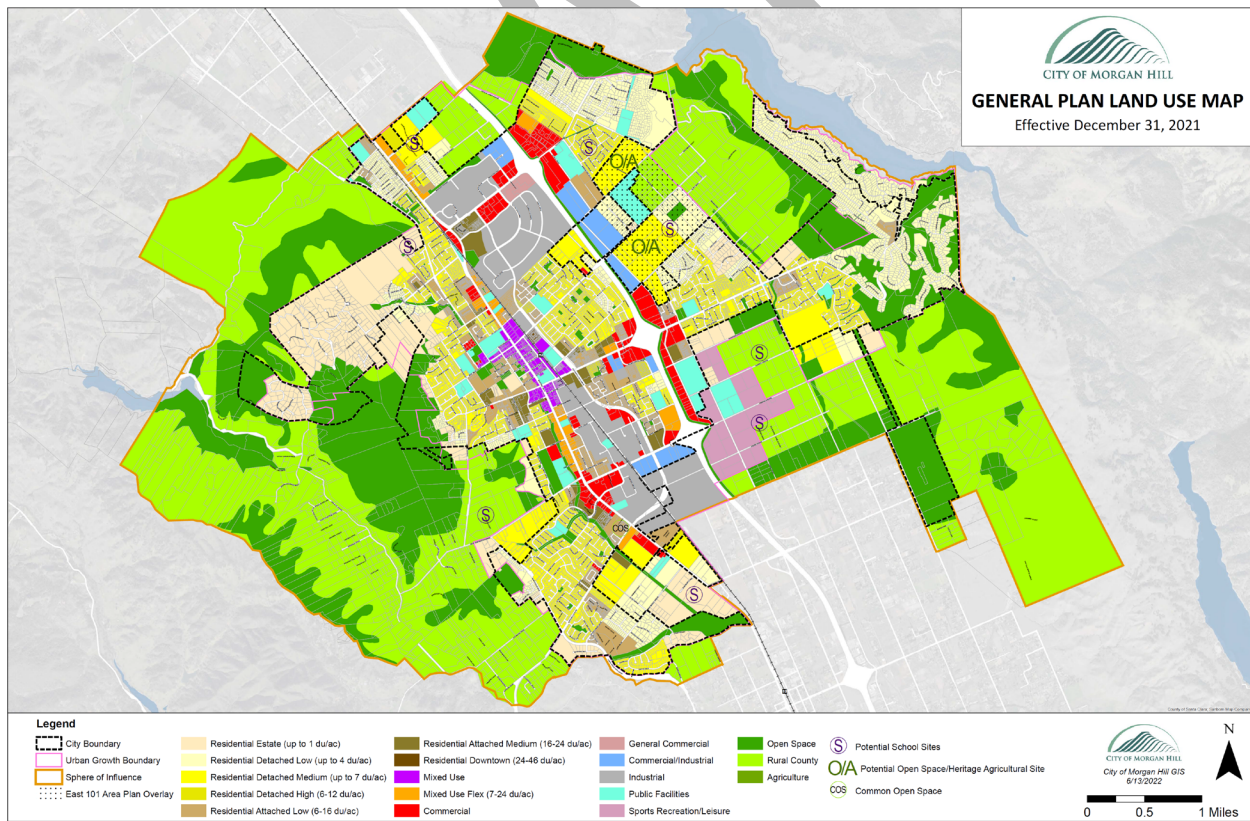
General Plan Consistency

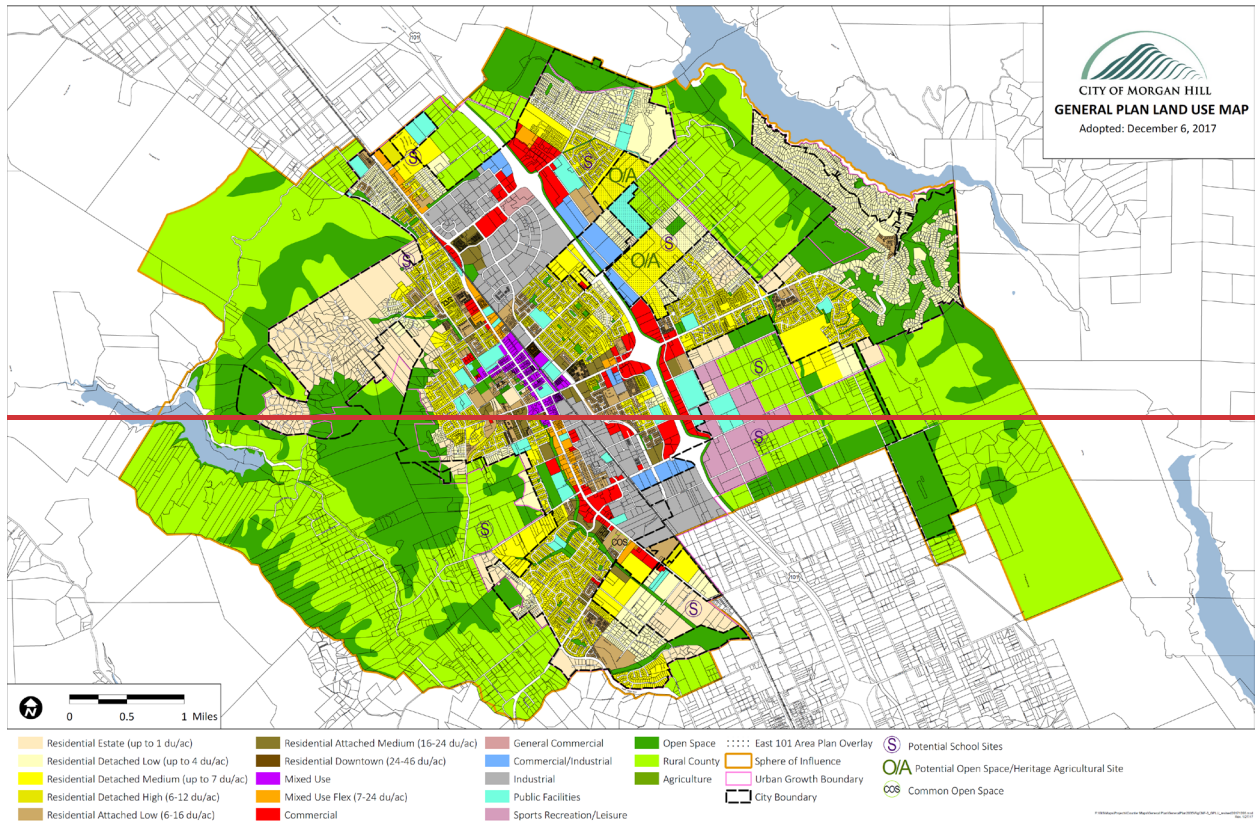
The City of Morgan Hill is a General Law City and is subject to the requirements of State law. One of the State's planning law requirements is that all of the goals and policies of the City's General Plan elements must be internally consistent. Internal consistency of Morgan Hill's General Plan has been achieved by ensuring that all elements are mutually supportive. Further, consistency is provided by assuring that all elements of the General Plan meet State law requirements. The Housing Element addresses all State requirements, including relevant legislation enacted subsequent to adoption of the previous Element. It contains information on housing constraints and actions to deal with constraints; and reflects recent population, housing, land use, environmental, and employment data.

The Housing Element includes information on the number of units required to meet Morgan Hill's housing needs, and its share of the regional housing need (RHNA). Sites with development potential that align with the City's housing needs are evaluated, consistent with the land use designations contained in the General Plan. The entire General Plan, including this revised Housing Element, reaffirms City goals by: (1) acting as a guide for municipal decisions which affect the quality and quantity of housing; and, (2) maintaining Morgan Hill's present quality of life by balancing the availability of housing with other considerations.

The Housing Element is also consistent with Morgan Hill's Downtown Specific Plan, which was adopted in November 2009.

Figure 1-1 Morgan Hill General Plan Land Use Map







CHAPTER 2 | Community Engagement

This Housing Element has been prepared with extensive community input and a robust public participation plan to ensure a wide range of input and feedback was received on key components of the plan.

This chapter describes the City's efforts to engage all segments of the community during the preparation of the Housing Element, including the numerous individuals, organizations, and agencies with which the City consulted, and the methods of community outreach.

State law (Section 65583[c][7]) of the California Government Code) requires cities and counties to make a diligent effort to achieve public participation that includes all economic segments of the community.

The 2022 update of the Housing Element involved an extensive community engagement process. The initial efforts began in May and June of 2021, with a series of workshops that were held to provide a roadmap of the past, present, and future housing in Morgan Hill, to communicate how we got here, and to discuss the housing needs for current and future residents. The opportunity was taken to share the State mandates for housing production that are in response to the housing crisis and geared towards increasing the supply. The initial workshops served as a springboard to leap into a deeper community engagement process. City staff used a variety of methods to solicit public input on the Housing Element update, including distributing three survey's (two pertaining to Assessment of Fair Housing (AFH)), hosting public workshops, providing information at community events, conducting focus groups, giving presentations to the Community, and holding several workshops with the community and the Planning Commission. Staff prioritized involvement and engagement of residents and community

members that are most directly impacted by the plan and development, especially Latinx, homeless, and other underrepresented or underserved groups. Key themes of feedback received from community members were consistent with the findings of Appendix H-1 Housing Needs Assessment and were used to guide new policies and programs in this Housing Element.

Community outreach and engagement opportunities were designed to provide a safe engagement process that followed safe public health protocols around COVID-19, and to implement a meaningful engagement process that promoted a sense of ownership and real participation among community members. Staff involved a diverse range of participants, seeking input from the business community, community-based organizations, and other stakeholders.

PUBLIC ENGAGEMENT SUMMARY

9	2021 Housing Conversation Workshops
7	Workshops with the Planning Commission
25	Stakeholder Focus Group Meetings
977	Responses to Housing Surveys
2	Town Hall Meetings
2	Regional Meetings

Spanish and conducting in person meetings as well as Zoom workshops in Spanish. City staff also conducted outreach during the Spanish mass at St. Catherine's.

In addition, two AFH surveys were provided (both in English and Spanish), one for Community Based Organizations (in which the City received 25 responses) and another survey geared towards underrepresented or underserved individuals and families (in which the City received 651 responses). The surveys were provided electronically and in hard-copy format.

Provide a range of housing opportunities and preventing homelessness were emerging themes amongst resident and stakeholder concerns and feedback.

Summary of Outreach Activities

The City of Morgan Hill started the engagement process for the Housing Element in May 2021. Summary notes from the various community engagement efforts are compiled in Appendix H-7.

Analysis of Impediments to Fair Housing

The outreach activities elicited broad community participation during the development of the AFH. The City conducted numerous outreach activities to reach all segments of the community and purposely focused on reaching Latinx residents, individuals and families currently housed in affordable housing, homeless, and other underrepresented or underserved groups. The City prioritized outreach by conducting small interactive focus groups with service providers/CBO's via Zoom. The City also reached out purposefully to the Latinx community by translating all surveys to

Stakeholder Focus Group Meetings

The City held 25 virtual stakeholder focus group meetings from January 2022 through March 2022 to gather input from various stakeholders, including developers, home builders, non-profit organizations, advocacy groups, and public agencies on key housing issues. The City also issued a follow-up survey to the stakeholders to address barriers to accessing decent, safe, affordable housing and which housing priorities are most important for Morgan Hill.

Key themes of feedback received from the focus group meetings were incorporated into the Housing Element Update and used to guide new policies and programs. Appendix H-7 contains summaries of the Stakeholder survey results.

List of Attendees and Organizations Represented

Throughout the process of updating the Housing Element, many different organizations and groups have provided input. This list includes some of those organizations and residents of affordable housing apartments but is not exhaustive and does not include the many individual citizens who also participated.

- Affordable Rental Housing locations
 - Cochrane Village
 - Crest Avenue Apartments
 - The Crossings at Morgan Hill
 - The Crossings Monterey
 - Depot-Commons
 - Jasmine Square
 - Murphy Ranch Family Townhomes
 - Royal Court Apartments
 - San Pedro Gardens
 - The Skel Apartments
 - Terracina at Morgan Hill
 - The Willows Apartments
 - Villa Ciolino
 - Orchards Ranch Scattered Sites
 - Park Place
- Building Back Better, Joint Venture Silicon Valley
- Catholic Charities
- Christopher Ranch
- Destination Home Silicon Valley
- Digital Nest
- Employment Development Department
- Eden Housing
- Gavilan College
- Morgan Hill Unified School District
- Parents Helping Parents
- The Compassion Center
- Morgan Hill Library
- Saint Louise Hospital
- St. Vincent De Paul
- St. Catherine's
- Saint Joseph's Food Pantry
- Silicon Valley @Home
- Silicon Valley Independent Living Center
- Social Services Agency
- Valley Health Center
- Voices School
- Unhoused individuals

KEY THEMES OF COMMUNITY FEEDBACK

- ❖ Provide a range of housing opportunities affordable to Morgan Hill workforce.
- ❖ Prevent homelessness and address the housing needs of people experiencing homelessness.
- ❖ Promote Extremely Low-Income housing.
- ❖ Establish special needs housing for seniors, persons with disabilities, and veterans.
- ❖ Conduct community education/outreach to inform residents about affordable housing and how to seek assistance.
- ❖ Integrate affordable housing throughout the community.
- ❖ Ensure that children who grew up in Morgan Hill have housing options so they can live in Morgan Hill as adults.
- ❖ Preserve, maintain, and rehabilitate existing housing to ensure neighborhood livability and promote continued housing affordability.
- ❖ Create an affordable housing overlay district.
- ❖ Zone more land and/or change zoning regulations for multi-family to increase affordable housing.
- ❖ Pass a commercial linkage fee ordinance.
- ❖ Pass a rent stabilization ordinance.



Citywide Town Hall Workshop on Draft Housing Element

The City held a virtual Citywide Town Hall in June 2022 to accompany release of the Public Draft Housing Element. City staff was available to take phone calls and e-mails for participants who lack internet access or who are visually impaired.

Workshops and Public Hearings

The City held workshops with the Planning Commission on January 25th, February 22nd, March 8th, April 12th, April 26th, May 10th, and May 24th to share work progress to date and obtain early direction and feedback. A subsequent public hearing was held with the Planning Commission on July ~~12th~~-26th to recommend submittal of the draft Housing Element to the City Council and the California Department of Housing and Community Development (HCD). In August the City Council held a public meeting on the Draft Housing Element authorizing submittal of the Draft Housing Element to HCD for their 90-day review.

Planning Commission Workshops

- ❖ On **January 25, 2022**, the Planning Commission held an **Introduction to the 2023-2031 Housing Element Update** workshop.
- ❖ On **February 22, 2022**, staff presented and gathered feedback on the preliminary draft **Site Inventory** and methodology for the Housing Element.
- ❖ On **March 8, 2022**, staff presented on the **Evaluation of Past Performance** and gathered feedback from the Planning Commission.
- ❖ On **April 12, 2022**, the Planning Commission provided feedback on preliminary draft **Goals & Policies**.
- ❖ On **April 26, 2022**, staff presented on **Affirmatively Furthering Fair Housing (AFFH)** and gathered feedback from the Planning Commission.
- ❖ On **May 10, 2022**, staff presented and gathered feedback on the **Constraints Analysis** for the Housing Element.
- ❖ On **May 24, 2022**, staff gave an overall presentation on the **2023-2031 Housing Element Update** and discussed the Housing Element Completeness Checklist.
- ❖ On **July ~~12th~~ 26th, 2022** the Planning Commission reviewed, provided feedback, and recommended approval of the **Draft Housing Element**.





CHAPTER 3 | Summary of Land Available for Housing

A key component of the Housing Element is demonstrating how the City will meet its fair share of the regional housing need.

Regional Housing Needs Allocation

The Regional Housing Needs Assessment (RHNA) is the California State- required process that seeks to ensure cities and counties are planning for enough housing to accommodate all economic segments of the community. The State assigns each region in California a regionwide housing target that is distributed to jurisdictions through a methodology prepared by the regional councils of Government. The City of Morgan Hill is within the region covered by the Association of Bay Area Governments (ABAG). For this 2023-2031 Housing Element, the State issued a target of 441,176 housing units for the entire ABAG Region. This is the total number of units that the cities and counties in the ABAG region must collectively plan to accommodate.

The City of Morgan Hill's share of the regional housing need was determined through a methodology prepared by the Association of Bay Area Governments (ABAG). The City must plan to accommodate a total of 1,037 housing units between January 31, 2023 and January 31, 2031. This is equal to a yearly average of 130 housing units. Table 3-1 below shows the City's RHNA by income category.

Of the 1,037 total units, the City must plan to accommodate 262 units for extremely low- and very low-income households, 151 units for low-income households, 174 units for moderate-income households, and 450 units for above moderate-income households.

Table 3-1 Regional Housing Needs Allocation, City of Morgan Hill 2023-2031		
<i>Income Category</i>	<i>Units</i>	<i>Percent of Total</i>
Extremely Low- and Very Low-Income	262	25.3%
Low-Income	151	14.6%
Moderate-Income	174	16.8%
Above Moderate-Income	450	43.4%
TOTAL	1,037	100.0%

Source: Association of Bay Area Governments, Regional Housing Needs Plan, 2023-2031. Adopted December 2021.

INCOME LEVELS AND ABILITY TO PAY

State law defines affordability in terms of target household incomes and the relative percentage these households must pay to purchase or rent decent and safe housing. Affordability is therefore relative to both household income and housing unit cost. In most cases, affordable housing is defined as housing and related costs (e.g., utilities, insurance, property taxes for owner-occupied properties) that requires no more than 30 percent of a household's gross income.

The income categories (e.g., extremely low-, very low-, low-, or moderate- income) and relative ability to pay for housing are determined in relation to the median household income for the City, adjusted by household size. Table 3-2 below shows the 2022 State and Federal income limits for Santa Clara County based on household size. The area median income (AMI) for a four-person household in Santa Clara County was \$168,500 in 2022.

Table 3-2 HCD Income Limits based on Persons per Household, 20202022					
<i>Income Categories</i>	<i>Persons per Households</i>				
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
Extremely Low-Income (≤30% AMI)	\$35,400	\$40,250	\$45,500	\$50,500	\$54,600
Very Low-Income (31-50% AMI)	\$59,000	\$67,400	\$75,850	\$84,250	\$91,000
Low-Income (51-80% AMI)	\$92,250	\$105,400	\$118,600	\$131,750	\$142,300
Median-Income (100% AMI)	\$117,950	\$134,800	\$151,650	\$168,500	\$182,000
Moderate-Income (81-120% AMI)	\$141,550	\$161,750	\$182,000	\$202,200	\$218,400

Source: CA Department of Housing and Community Development (HCD), 2022.

Inventory of Housing Capacity

State law requires the City to demonstrate that sufficient land is zoned to provide housing capacity that is adequate to meet the RHNA for each income level. In addition, Assembly Bill 686, Statutes 2018, requires that a jurisdiction identify sites throughout the community, in a manner that is consistent with its duty to affirmatively further fair housing (AFFH) pursuant to Government Code Section 65583. In the context of AFFH, the site identification requirement involves not only an analysis of site capacity to accommodate the RHNA, but also an analysis and conclusion of whether the identified sites improve or exacerbate conditions for each of the fair housing areas as outlined in Appendix H-5 Assessment of Fair Housing. However, pursuant to Government Code Section 65583 and HCD's Housing Element Site Inventory Guidebook, the fair housing analysis does not apply to pending, approved, or permitted development.

As part of this Housing Element update, City staff conducted a comprehensive inventory of residential units in the pipeline (i.e., planned and entitled pending, approved or permitted) and evaluated the capacity to accommodate the RHNA for each income level within the Housing Element planning period, 2023-2031.

Planned and Entitled Projects

Morgan Hill has a significant pipeline of development projects that are seeking entitlements or are entitled and actively pursuing construction. As of March 1, 2022, there were an estimated 1,823 housing units in the pipeline that are counted toward meeting the RHNA. About 30 percent of the units in the pipeline will provide affordable housing for lower-income households. More than 24 percent of the units in the pipeline will provide affordable housing for moderate-income households, and the remaining 46 percent of the units consist of lower-density single-unit above moderate-income units. Based on affordability restrictions, the

projects are anticipated to provide 545 affordable lower-income units consisting of 158 extremely low-income units, 149 very low-income units, and 238 low-income units. In addition to the affordable lower-income units, there are 445 moderate-income units in the pipeline and 833 above moderate-income units. The inventory includes several individual affordable housing developments in the pipeline, including a 249-unit affordable development at 18960 Monterey Road; a 66-unit affordable development at 17965 Monterey Road; a 73-unit affordable development at 15440 Monterey Road; and an 82-unit affordable development at 16685 Church Street.

To estimate the number of proposed pipeline development projects that are expected to reach completion during the 6th cycle, the City examined completion rates of pipeline development projects during the 5th cycle (2015 through 2022). For discretionary entitlements, completion rates were found by drawing upon all planning entitlement applications and approvals and finding the percentage of those projects which have obtained a building permit and therefore reached completion. This analysis found that entitlement applications had a completion rate of 88.7%, while approved entitlements had a completion rate of 91.7%. For building permit applications and approved permits, completion rates were established based on evaluating all residential building permits issued for new residential units, as well as all issued building permits that have been finalized/received a certificate of occupancy, from January 1, 2015, through December 31, 2020. The report found that building permits have a 99.2% completion rate for issued permits. Those completion rates were then applied to the current pipeline to determine the number that would be expected to be completed within the next eight years.

Table 3-3 shows the expected breakdown of this pipeline development potential, by expected income category. The income categories for individual development projects are based on the actual proposed affordability level requested or approved as part of the

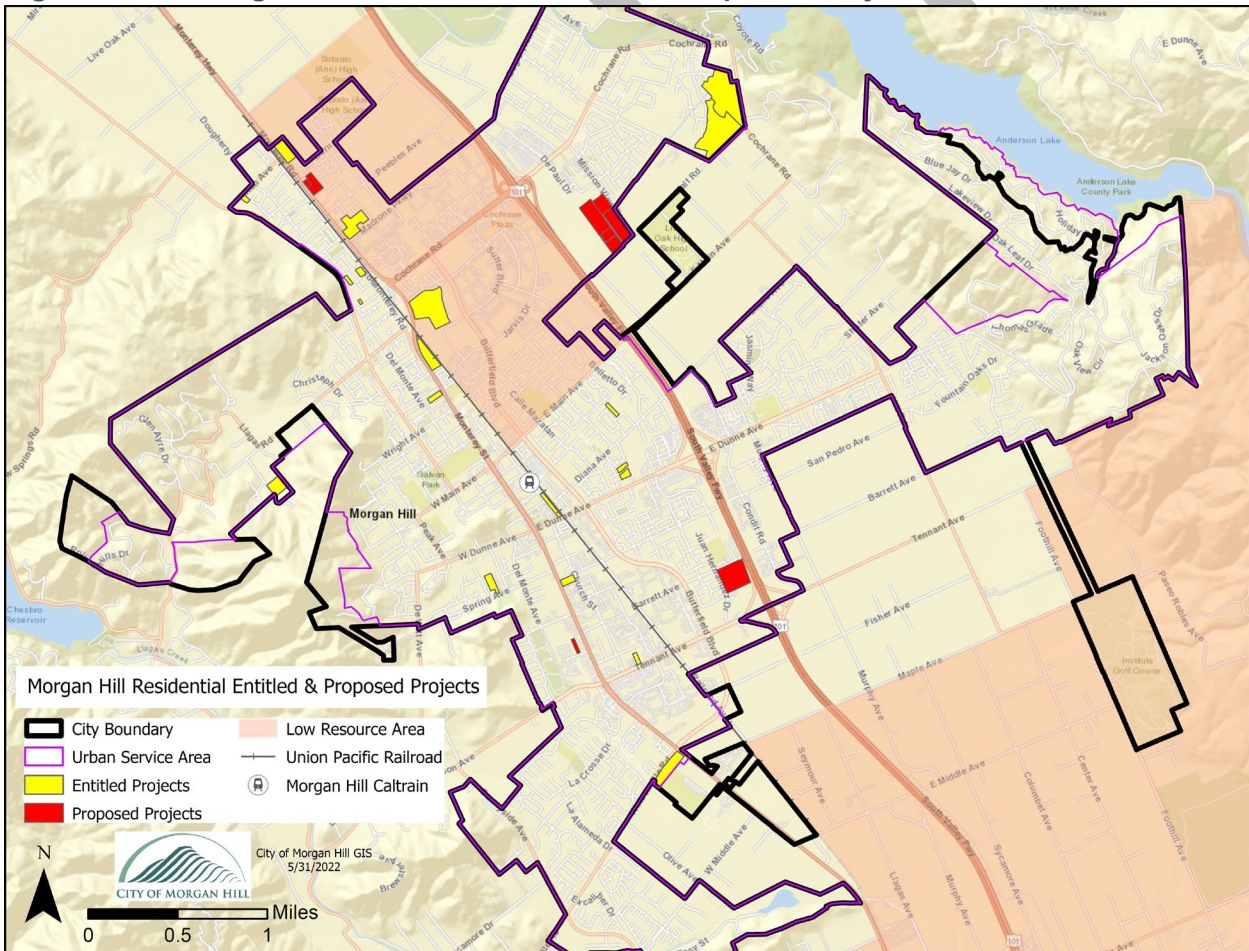
entitlement request.

DRAFT

Table 3-3 Total Pipeline Development Potential, by Income Category						
	Above Mod. Income Units	Moderate Income Units	Low-Income Units	Very Low-Income Units	Extremely Low-Income Units	Total Development Potential
Active Planning Entitlements	388	59	-	-	-	447
Approved Planning Entitlements with No Building Permit	79	18	36	20	78	231
Building Permit Applications	308	356	197	126	73	1,060
Total Pipeline Development Projects	775	433	233	146	151	1,738

Source: City of Morgan Hill, 2022.

Figure 3-1 Morgan Hill Residential Entitled & Proposed Projects



Source: City of Morgan Hill, 2022.

Capacity to Accommodate the RHNA

Table 3-4 below provides a summary of total residential capacity included in the site inventory compared to the City's 6th Cycle RHNA. As shown in the table, the City has a total capacity for 1,738 units within pipeline residential developments (a total success potential of over 95%), which is sufficient capacity to accommodate the RHNA of 1,037 units. The land inventory includes capacity for 530 lower-income units (i.e., extremely low-, very low-, and low-income units), 233 moderate income units, and 775 above moderate-income units. It is important to note that the City did not analyze accessory dwelling units (ADUs) within this Housing Element; therefore ADUs were not counted towards the identified residential capacity in Morgan Hill.

	Extremely Low-Income Units	Very Low-Income Units	Low-Income Units	Moderate-Income Units	Above Moderate-Income Units	Total Units
RHNA	131	131	151	174	450	1,037
Pipeline Residential Capacity	158	149	238	445	833	1,823
Pipeline Residential Potential	151	146	233	433	775	1,738
Surplus(+)/Deficit(-)	+20	+15	+82	+259	+325	+701

Source: City of Morgan Hill 2022.





CHAPTER 4 | Goals and Policies

The goals and policies provide direction to help the City reach its housing goals.

The Housing Element includes seven goals that create the framework for how the City of Morgan Hill will address housing needs during the planning period. Within each goal section, the policies provide direction for how the City will achieve that goal.

The goals and policies were developed with extensive community input and reflect the City's ambition to create equitable and inclusive neighborhoods and to provide opportunities for a variety of housing at all levels of affordability to meet the current and future needs of all residents.

HOUSING ELEMENT GOALS

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

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



Facilitate the construction of 1,037 new housing units by 2031 by providing a range of housing types for all age groups, served by transit, recreational amenities, shopping, and health and personal services, that allow residents to age in place.

Morgan Hill, like most communities in California, is facing a housing crisis.

Housing demand continues to outpace supply. This lack of supply drives up housing costs, greatly impacting affordability. Through the Housing Element update process, every city and county in the state is given a target number of housing units it must plan to accommodate, called the Regional Housing Needs Allocation (RHNA). **The City's target for this Housing Element is 1,037 units over the next eight years, an average of about 130 housing units annually.**

Policies

HE-1.1 Adequate Land for New Development. Ensure that an adequate amount of land is available for new residential development, zoned for a range of residential densities and a variety of housing types.

HE-1.2 Capital Improvement Programming. Give high priority in the annual Capital Improvement Program to providing adequate public facilities for residentially zoned land needed to accommodate the City's ABAG projected regional housing needs allocation (RHNA).

HE-1.3 Flexible Housing. Encourage and design alternative housing solutions that support affordable and intergenerational housing, including micro-unit housing, attached or detached accessory dwelling units, home sharing, and cohousing to help meet the housing needs of aging

adults, students, and lower-income individuals and growing families.

HE-1.4 Market Rate Developments. Encourage income-diverse neighborhoods and promote extremely low-, very low-, low-, median-, and moderate-income households within new market rate development.

HE-1.5 Accessory Dwelling Units. Encourage development of accessory dwelling units.

HE-1.6 Advocate with Local Legislators. Advocate with local legislatures and provide input to the State Legislature to ensure that State programs and legislation meet local housing needs, support local housing programs, and encourage capacity building opportunities to implement the Housing Element work program.

HE-1.7 Housing Assistance Funds. Provide housing assistance funds in the form of loans wherever possible so that the funds will eventually return to the City for future housing use.

HE-1.8 Annual Monitoring. Monitor housing development and RHNA housing needs annually to ensure that goals and quantified objectives are being met.

HE-1.9 Review Potential Governmental Constraints to Housing. Review governmental constraints to ensure that they do not pose an undue impediment to the provision of new housing or the rehabilitation of

existing housing.

HE-1.10 Sales Prices and Rental Rates. Require developers to report initial sales price and rents of new units prior to occupancy approval.

HE-1.11 Downtown Specific Plan. Continue to implement the Downtown Specific Plan by encouraging a vibrant mix of residential and commercial development in the Mixed Use-Neighborhood (MU-N) zoning district.

HE-1.12 Impact Fee Credits for Previous Uses. Allow projects to receive a credit of impact fees, based on the previous uses.

HE-1.13 Land Acquisition for Affordable Housing. Pursue opportunities for land acquisition for future affordable housing development in areas zoned for multi-family or areas that permit mixed projects, either through acquisition by the City or by nonprofit housing developers.

HE-1.14 Facilitate Land Assembly. Facilitate assembling parcels to develop residential projects to yield multi-family and affordable units by making the Available Land Inventory available to developers.

HE-1.15 Variety of Single-family Homes. Support the creation of smaller single-family lot sizes to encourage home ownership for a wider range of income levels.

HE-1.16 Housing Coordinated with

Transportation. Seek to ensure new housing developments are connected to pedestrian and bicycle routes and amenities.

HE-1.17 Relocation Assistance. Require relocation assistance in the event of displacement of extremely low, very low-, low-, or moderate-income residents.

HE-1.18 Rental Assistance Programs. Educate and encourage landlords of the requirement to accept rental assistance programs, such as housing vouchers and Section 8 vouchers administered by the Housing Authority of Santa Clara County and emergency rental assistance.

HE-1.19 Neighborhood Character. Maintain and enhance the quality of life within residential neighborhoods, including those identified as low resource and/or disadvantaged, through responsible development and investment by providing adequate maintenance to streets, sidewalks, alleys, parks, and other community facilities.

HE-1.20 Expand Housing Types Throughout the City. Expand multiple-family zoning areas throughout the City, and revise design standards, to allow for a greater array of housing types throughout the city to create more inclusive and equitable neighborhoods.

Goal 2: Encourage Extremely Low-Income (ELI) housing production, increasing availability of affordable and workforce housing



Support the production of 413 new lower-income housing units by 2031 and increase other affordable housing opportunities within the existing housing stock.

Morgan Hill housing costs have skyrocketed in recent years, making it especially hard for lower-income households to afford housing.

The short supply of affordable and workforce housing coupled with increasing costs of housing not only have negative impacts on the City's lower-income households, but they also have a destabilizing impact on the overall economy as fewer household financial resources are able to be spent on other sectors of the economy. Many lower-income families must choose between paying rent or paying for other basic needs like healthcare, food, and transportation. Others are forced into overcrowded or substandard housing conditions or join the increasingly large population of people experiencing homelessness.

KEY FACTS

- ❖ As defined by the U.S. Department of Housing and Urban Development (HUD), **lower-income households** are those that earn **less than 80% of area median income (AMI)**, or \$131,750 for a family of four within Santa Clara County in 2022.
- ❖ The **median home sale price** in the Morgan Hill has increased from about \$472,850 in 2001 to **over \$1,055,000 in 2021**.
- ❖ **Less than 65% of homes** in Morgan Hill are sold at prices affordable for a household regardless of income in 2020.

Housing is considered "affordable" if no more than 30 percent of a household's gross monthly income is spent on rent and utilities. Households are considered "cost burdened" if they spend more than 30 percent of their income on housing costs, and "severely cost burdened" if they spend more than 50 percent.

DEFINITIONS

- ❖ **Affordable Housing:** Under State and federal statutes, housing which costs no more than 30 percent of gross household income. Housing costs include rent or mortgage payments, utilities, taxes, insurance, homeowner association fees, and related costs.
- ❖ **Workforce Housing:** housing that is affordable to households earning between 60 and 120 percent of area median income (AMI). Workforce housing targets middle-income workers including teachers, health care workers, retail clerks, young professionals, and more.

As shown below in Figures 4-1 and 4-2, 35.4 percent of all Morgan Hill households were considered cost burdened in 2019, and 15.3 percent of households were considered severely cost-burdened. Lower-income families were more likely than others to overpay for housing.

Figure 4-1 Cost-Burdened by Tenure in Morgan Hill, 2019

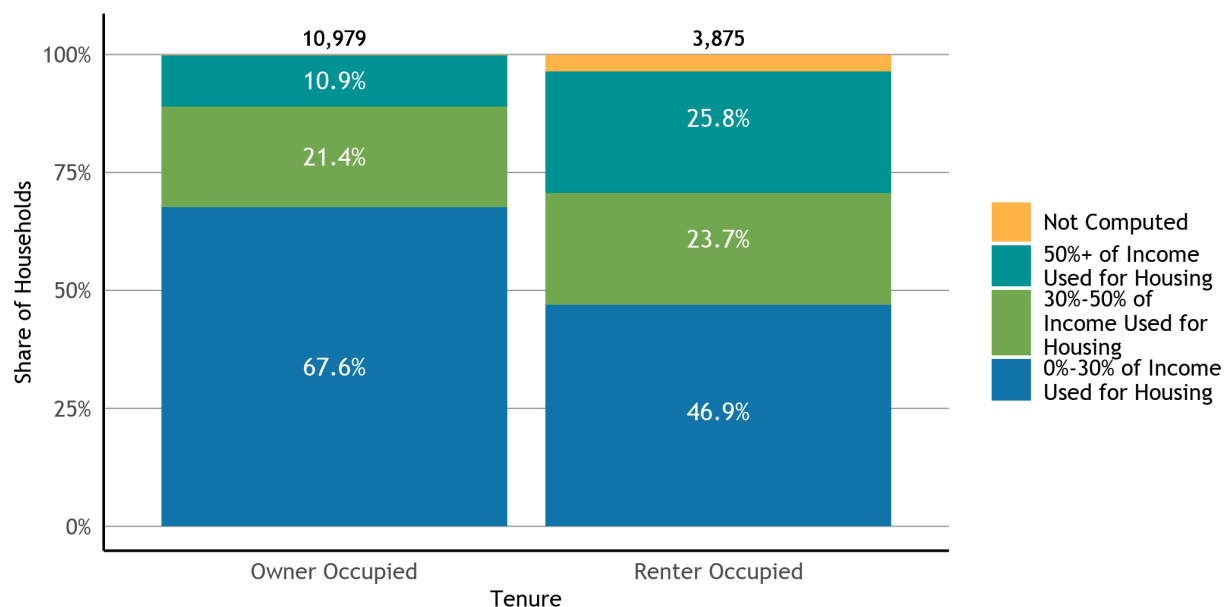
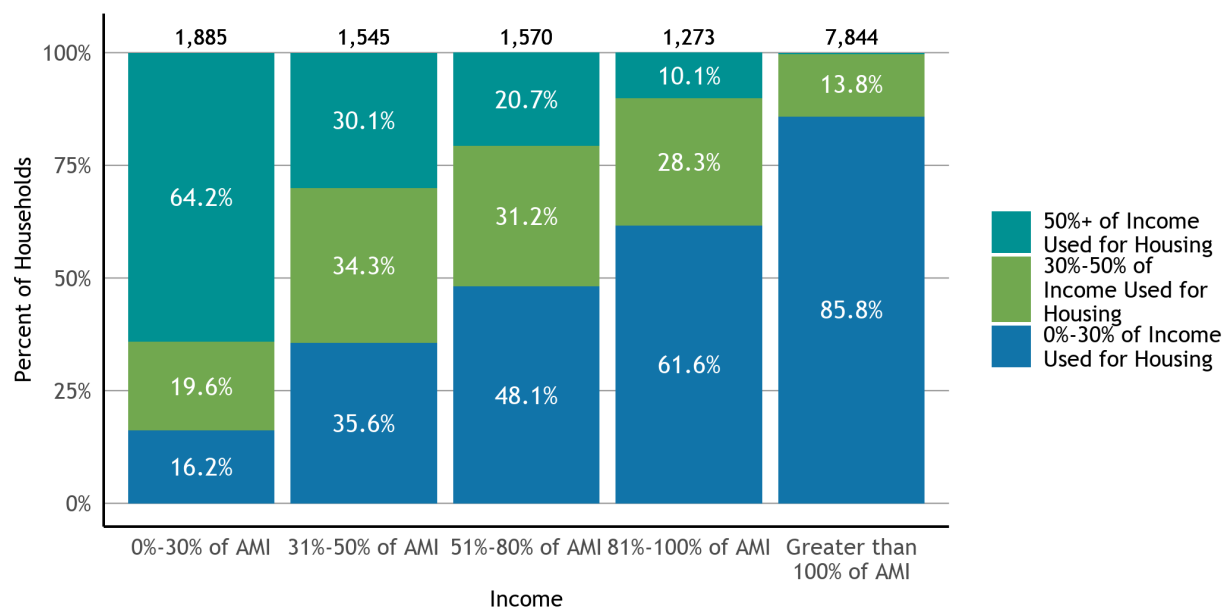


Figure 4-2 Cost-Burdened by Income Level in Morgan Hill, 2019



The private market has largely been unable to produce homes affordable to lower-income households since affordable rents do not cover the cost to construct these housing units. Between 2015- 2019, the City constructed an average of 41 lower-income housing units per year, which represents less than 14 percent of all housing permitted within Morgan Hill.

There are several barriers to developing affordable housing in Morgan Hill and in California. A historical focus on building single family homes and neighborhoods has made it harder to build housing for lower-income households throughout the City. That, coupled with high construction and land costs and the severe disinvestment in affordable housing subsidies from the state and federal governments, has created major challenges to building new affordable housing. However, the City can play a part in supporting the production of more affordable housing units.

As part of California's 6th Cycle Housing Element, the City of Morgan Hill must adequately plan for and accommodate a total of 413 new lower-income housing units by 2031, which represents 40 percent of the City's overall RHNA.

- ❖ Within that 413 figure, 262 units should be affordable to very low-income households making less than 50 percent AMI, and the remaining 151 units should be affordable to low-income households making between 50-80 percent AMI.
- ❖ The allocation is equivalent to producing 52 lower-income units annually over the next eight years.

Policies

HE-2.1 Affordable Housing Strategy Implementation. Encourage the production of rental housing, including housing for extremely low-income households, through available funds, banked land, and community partnerships.

HE-2.2 Funds for Affordable Units. Prioritize housing funds to finance affordable projects for extremely low-income households.

HE-2.3 Rental Housing Incentives. Assist for-profit and nonprofit developers in developing affordable rental housing.

HE-2.4 Programs Providing Extremely Low-, Very Low-, and Low-Income Housing. Participate in programs that assist extremely low-, very low-, and low-income households to secure adequate housing.

HE-2.5 Santa Clara County Housing Programs. Collaborate with the County of Santa Clara Office of Supportive Housing, Destination Home, Housing Trust of Silicon Valley, and Housing providers to promote housing programs.

HE-2.6 Leverage Funding. Leverage

housing assistance funds whenever possible by combining them with funds from State, Federal, County, and other sources.

HE-2.7 Below Market Rate (BMR) Occupancy. Require all BMR units to be income-restricted to ensure their use as affordable housing as required by funding source or the Inclusionary Housing Ordinance and facilitate rehabilitation and resales of the BMR ownership units to new income-qualified first-time homebuyers.

HE-2.8 BMR Deed Restrictions. Continue to require the recordation of deed restrictions for all affordable units except accessory dwelling

HE-2.9 Assist in the Development of Extremely Low and Very Low-Income Affordable Housing. Assist affordable housing developments through site identification, direct funding, supporting funding applications, land donation, and other incentives.

HE-2.10 Create Additional Local Funding for Affordable Housing. Strive to create additional local funding for affordable housing.

HE-2.11 Advocate for State and Federal Legislative Changes. Advocate for additional financial resources and legislative changes from the State and Federal government to support the funding and production of affordable housing.

HE-2.12 Commercial Linkage Fee. Consider new commercial and industrial development to meet the housing demand they generate, particularly the need for affordable housing for lower-income workers, through a Commercial Linkage Fee Ordinance or similar mechanism only when the City has met a housing-job balance of 1:1 ratio.

HE-2.13 Support Innovative Construction Methods. Support and encourage the development and construction industries to implement new technologies and opportunities to build housing that is more affordable by design.

HE-2.14 Support Farmworker Housing. Establish farmworker housing as an affordable housing need within the City.

HE-2.15 Farm Worker Housing Advocacy. Advocate for federal, State, and County funding for

farmworker/agricultural employee housing, including housing that meets the needs of the County's agricultural industry and its workers.

HE-2.16 Partner with Developers. Collaborate with developers and employers to develop innovative housing solutions for farmworkers and agricultural employees and identify and pursue all potential funding sources and assist owners and developers in applying for funding.

DRAFT

Goal 3: Advance equity and inclusion throughout the City



EQUITY &
INCLUSION

Create more equitable and inclusive neighborhoods.

Where we live directly impacts our health and our ability to achieve our full potential. Equitable housing must be more than affordable; it must also connect residents to the jobs, schools, services, and community assets that will enable them to thrive and be healthy.

With a population of 44,686 as of the 2015-2019 American Community Survey 5-Year Estimates, Morgan Hill has experienced significant growth in recent decades as Santa Clara County has emerged as the center of the global technology industry. High and rising housing costs have come with the incredible growth of both Morgan Hill and the Region, and the impact of those high housing costs have not been felt equally by all. Hispanic households, persons with disabilities, and large families all face housing insecurity at higher rates and tend to have less access to the highest resource parts of the Region. Although the Region and Morgan Hill have small Black populations, which makes it difficult to draw some conclusions about disparities, rates of homelessness among the Region's small Black population are shockingly high.

Within Morgan Hill, income levels are similar to those countywide, housing is slightly more affordable, and access to opportunity is moderate in most neighborhoods. With regard to race and ethnicity, Morgan Hill is slightly more heavily Hispanic and White than the Region and less heavily Asian. Additionally, within Morgan Hill, housing patterns are not highly segregated. Although the eastern portion of the city is slightly more heavily White and less heavily Hispanic than the downtown area, which is home to a large majority of the city's subsidized housing), those differences are modest in comparison to most communities within the Region. Due to its location in the

southern portion of Santa Clara County (often called South County), Morgan Hill residents have somewhat limited access to public transportation, less proximity to job centers, and, as a result, longer and more burdensome commutes than many other residents of the Region.

It is incumbent on the City of Morgan Hill to take proactive steps, consistent with its AFFH obligation, to address existing disparities in housing and access to opportunity in regional context and to take steps to prevent the emergence of segregated patterns. The policies identified below, which are discussed in much greater detail Appendix H-5, are a roadmap for doing so.

The City is committed to creating more opportunities for affordable housing dispersed more equitably throughout the City; as neighborhood investments increase, protecting existing residents from displacement; connecting Morgan Hill residents to employment opportunities; and, expanding outreach and education to better reach vulnerable and at-risk households and to demystify affordable housing.

Policies

HE-3.1 Increase Affordable Housing Opportunities.

Increase affordable housing opportunities for protected class members in eastern Morgan Hill.

HE-3.2 Displacement.

Protect tenants from displacement.

HE-3.3 Employment Opportunities.

Connect Morgan Hill Residents to Employment Opportunities.

HE-3.4 Fair Housing Education.

Increase Fair Housing enforcement, outreach, and education in Morgan Hill.

Goal 4: Preserve and rehabilitate existing housing supply



Preserve, maintain, and rehabilitate existing housing to ensure neighborhood livability and promote continued housing affordability.

The policies in this section focus on preserving the existing housing stock, with an emphasis on preserving affordable housing.

The City of Morgan Hill is home to 1,160 deed-restricted affordable units, not including privately owned deed-restricted affordable units. In general, once the period of restricted rent/occupancy expires, a property owner may charge market rents for the previously restricted units. State law requires that housing elements include an inventory of all publicly assisted multi-unit rental housing projects within the local jurisdiction that are at risk of conversion to uses other than low-income residential during the next 10 years from the start of the housing element planning period (i.e., January 31, 2023). No units are at-risk of converting to market rate by 2031. The preservation of affordable units is not only more cost effective than building replacement units, but it is a key element of anti-displacement policy.

Beyond subsidized affordable housing, there is a need to maintain and improve the quality of existing marketrate housing. While the age of housing, by itself, does not necessarily equate with poor housing conditions, a neighborhood with a large stock of older housing (particularly older non-subsidized rental housing) occupied by a high percentage of lower-income households has a much greater potential for housing problems than an affluent neighborhood with older housing.

If not properly maintained, housing can exhibit obvious signs of “wear and tear” after 30 years (or even less, depending on the quality of materials and construction). The housing stock of Morgan Hill in 2020 was made up of 59.0% single family detached homes, 17.7% single family attached homes, 5.5% multifamily homes with 2 to 4 units, 9.8% multifamily homes with 5 or more units,

and 8.0% mobile homes. In Morgan Hill, the housing type that experienced the most growth between 2010 and 2020 was *Single-Family Home: Detached*.

Production has not kept up with housing demand for several decades in the Bay Area, as the total number of units built and available has not yet come close to meeting the population and job growth experienced throughout the region. In Morgan Hill, the largest proportion of the housing stock was built from 1980 to 1999, with 5,632 units constructed during this period (see Table 4-1). Since 2010, 11.6% of the current housing stock was built, which is 1,761 units.

The City takes a proactive approach toward housing conditions through housing rehabilitation programs. The City has participated in the Urban Counties Consortium Community Development Block Grant (CDBG) funds to provide rehabilitation assistance. Over the last housing element period, from January 1, 2015 through January 1, 2020, 159 units were rehabilitated within the City of Morgan Hill.

KEY FACTS

- ❖ **None of the 1,160 subsidized affordable units are at risk** of converting to market rate by 2031.
- ❖ The housing stock of Morgan Hill comprises of **76.7% Single-Family homes**.
- ❖ **74%** of Morgan Hill homes were built before 2000.

Table 4-1 Housing Stock by Year Built

Year Built	Number of Units	% of Total
2010-or later	1,761	11.6%
2000-2009	2,252	14.8%
1980-1999	5,632	37.0%
1960-1979	4,803	31.5%
1940-1959	525	3.4%
1939 or earlier	260	1.7%
Total	15,233	100%

Source: U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates

Policies

HE-4.1 Preserve At-Risk Units.

Preserve as many below market rate ownership and rental units as possible.

HE-4.2 Affordability Controls.

Continue to extend the affordability restrictions as part of the next sale to eligible buyers and, if necessary, exercise the City's right of first refusal to purchase BMR units to ensure they remain affordable.

HE-4.3 Assist Non-profits in Acquisition of At-Risk Units.

Assist non-profit housing organizations in acquiring and/or rehabilitating existing affordable rental housing through financial assistance in exchange for extending the affordability period as required by the applicable funding source.

HE-4.4 Preservation of Existing Affordable Housing Stock.

Preserve and grow the existing affordable housing stock through the acquisition, conversion, rehabilitation, and replacement of affordable units. Monitor and report progress of affordable housing stock to the State Housing and Community Development Department.

HE-4.5 Code Enforcement.

Support the long-term maintenance and improvement of existing housing through code enforcement with emphasis on rental units, assistance in maintaining affordability, and non-displacement of existing tenants.

HE-4.6 Renovations under the Downtown Specific Plan.

Encourage the renovation of buildings consistent with the Downtown Specific Plan.

HE-4.7 Rehabilitation Loan Programs.

Support Housing Rehabilitation Loan Programs that provide home improvements and rehabilitation assistance using CDBG and City housing funds.

HE-4.8 Capital Improvement Program.

Coordinate the planning and funding of neighborhood infrastructure improvements by integrating the Capital Improvement Program goals, the Housing Element Policies and the opportunities that are available through the Urban County Community Develop Block Grant Program.

HE-4.9 Overcrowding.

Support the addition of bedrooms and other expansions as an eligible rehabilitation activity to alleviate overcrowding.

HE-4.10 Preserve Existing Mobile Home Parks.

Support efforts by tenants and nonprofits to preserve existing mobile home parks.

HE-4.11 Rent Stabilization Ordinance.

Maintain the City's rent stabilization ordinance for mobile home parks.

HE-4.12 Rehabilitation and Sustainability.

Ensure that all housing units rehabilitated with City assistance are environmentally friendly and energy-efficient.

HE-4.13 Protection and Preservation of Existing Affordable Housing.

Work with property owners, tenants, and nonprofit purchasers to preserve assisted rental and ownership housing and implement a strong affordable housing monitoring program.

HE-4.14 No Net Loss of Housing Stock.

Ensure that affordable housing sites identified in the Housing

Element Pipeline do not result in a net reduction of affordable housing units if they are redeveloped.

HE-4.15 Conversions to Affordable Housing. Explore new strategies to convert abandoned and blighted properties into affordable housing.

DRAFT

Goal 5: Promote Housing for people experiencing homelessness



Prevent the occurrences of homelessness and address the housing needs of people experiencing homelessness.

Similar to other regions in California with ~~double-digit~~ increases in reported homelessness, the ~~Sacramento~~ Santa Clara County region is in the middle of a homelessness crisis.

The 2022 Santa Clara County Point-in-Time (PIT) Homeless Count reinforce what we already know: Homelessness remains a severe crisis in our community. While the PIT count is an imperfect way to measure homelessness in our community, it can provide key insight into year-over-year trends. The preliminary data shows that from 2019-2022:

- The overall number of homeless people remain relatively steady countywide. Santa Clara County saw a 3% increase (to 10,028); while San Jose saw a 11% increase (to 6,739) during that time.
- At the same time, the number of unsheltered individuals decreased, with a 3% decrease (down to 7,708) in Santa Clara County; and a 2% decrease (down to 5,031) in San Jose.

KEY FACTS

- ❖ From 2019 to 2022, Santa Clara County saw a **3%** increase of people experiencing homelessness on any given night.
- ❖ About **77%** of people experiencing homelessness on any given night are unsheltered.
- ❖ **11.5%** of people experiencing homelessness are youth.

The homelessness population includes veterans, women, children, persons with disabilities, older adults, and other vulnerable groups. These individuals lack adequate sanitary facilities and are at risk from theft, crime, and extreme weather conditions. These

conditions threaten the physical and mental health and safety of those experiencing homelessness and these conditions pose a threat to the public health and well-being of the entire community.

The crisis of unsheltered homelessness is one that impacts the entire Morgan Hill community; both those experiencing homelessness and the broader community of housed residents, businesses, and neighborhoods. As residential rents continue to climb, many housed residents also face the threat of homelessness due to lack of access to affordable housing.

The Housing Element includes a variety of policies to help the City address the homelessness crisis. Policies range from working with the County and partner agencies on a regional approach, removing barriers to emergency shelter access, and to improve data quality and regularly report on metrics.

Policies

HE-5.1 Housing First Principles. Encourage ongoing supportive services as needed and prioritize solutions that are consistent with the notion that stable housing is the first, critical step towards addressing human needs.

HE-5.2 Support Homeless and Service Agencies. Meet the needs of residents who are homeless or at risk of homelessness by collaborating with agencies providing emergency shelter for homeless Morgan Hill residents. When appropriate and possible, provide funding.

HE-5.3 Work with Santa Clara County Agencies. Collaborate with Santa

Clara County agencies and nonprofits to address homelessness and other housing or community service-related issues, such as the ongoing implementation of the Countywide Community Plan to End Homelessness.

HE-5.4 Religious Institutions Shelters.

Allow religious institutions to operate small emergency shelters and transitional facilities as an ancillary part of their regular operations with no additional local permitting requirements.

HE-5.5 Youth Experiencing Homelessness.

Coordinate and create partnerships to increase accessibility of safety net services through outreach and communication, to effectively link youth experiencing homelessness to housing and service solutions.

HE-5.6 Regional Coordination.

Coordinate with the region and work with the Continuum of Care, Santa Clara County, and partner agencies to develop strategies that address homelessness through a shared vision, coordinated programs, and joint funding opportunities.

HE-5.7 Innovative Solutions.

Employ innovative solutions that further collaboration and coordination of the homeless continuum of care. This will include effective responses and best practices for prevention services, emergency shelters, interim housing, permanent housing, and ongoing housing stability to address the homelessness crisis.

HE-5.8 Permanent Supportive Housing.

Partner with other agencies to facilitate and provide permanent supportive housing options that offer appropriate services and case managers so that people experiencing chronic homelessness

can maintain permanent housing.

HE-5.9 Prevention Resources.

Use data to focus on impactful solutions, long-term outcomes, and strategies that target those most at risk of homelessness by connecting them to affordable housing, prevention resources, workforce training, and supportive services that will help prevent them from losing their homes (e.g., rental assistance programs, tenant protections, and job assistance).

HE-5.10 Rental Housing Assistance.

Prioritize and facilitate programs and strategies that work to help those experiencing homelessness, or who are at risk of homelessness, find appropriate rental housing and prevention services.

HE-5.11 Diversion Approach.

Work with and provide resources to partner organizations to prevent people from seeking shelter by helping them identify immediate alternate housing arrangements and connecting them with services and financial assistance to help them return to permanent housing.

HE-5.12 Improve Connections Between Shelters and Housing.

Expand and improve the collaboration and connection between emergency shelters, temporary housing, and permanent housing in order to decrease the duration of homelessness and rehouse individuals quickly.

HE-5.13 Regular Reporting.

Use metrics and improve data quality to track and improve the efficacy of homeless services, programs, and investments.

Goal 6: Provide adequate housing for groups with special needs



ACCESSIBILITY

Promote greater universal access in housing and support efforts that provide older adults and people with disabilities the option to stay in their homes and neighborhoods.

The goals of the Housing Element reflect empowerment and inclusion for the broad range of human ability represented in Morgan Hill.

Individuals with disabilities have special needs related to relatively low incomes, housing accessibility, self-care, access to transit, and proximity to health care and supportive services. Disabilities can be both visible and invisible. It is important that there is just and fair inclusion throughout the city and that conditions create an environment where everyone can participate, prosper, and reach his or her full potential.

In 2019, over 4,000 Morgan Hill residents over age five had one or more disability. This number represents about 9 percent of the City's population over age five. In Morgan Hill, of the population with a developmental disability, children under the age of 18 make up ~~39.8~~39.831.8%, while adults account for ~~60.2~~60.268.7%.

Because disabilities include a wide range and severity of sensory, physical, mental, and developmental conditions, the special needs of persons with disabilities are wide ranging, as well. In addition to affordable and accessible housing opportunities in proximity of transportation and other services, persons with disabilities may also need on-site support or even full-time care in a group home environment.

Persons living with disabilities, especially with severe living or self-care difficulties, generally live with low to extremely low incomes. Of the total population of people with disabilities, 106 individuals or approximately 2.6 percent of people with disabilities in Morgan Hill between the age of 20 to 64 have incomes below the

poverty line, by contrast, 852 individuals below the poverty line do not have a disability. Median earnings for people without disabilities in Morgan Hill is \$58,721, while it is only \$34,700 for people with disabilities. This disparity in income between individuals with or without a disability means that individuals without a disability have median earnings that are \$20,000 dollars more than those with a disability. The economic gap for people with disabilities is likely even greater in reality, as the data does not include institutionalized individuals. There is not census data categorized by disability type for individuals living below the poverty line in Morgan Hill, so it is difficult to ascertain how many residents are in need of accessible and affordable units. Furthermore, the data does not indicate how much overlap there is between these categories, nor does the data say how many of those individuals need accessible units.

Older adults (persons age 65 or more) are a special needs group because a high percentage of them have relatively low incomes and decreasing mobility, which limit their housing options. Many older adults own homes that no longer meet their needs; their homes are too large, not located near health and social services, and/or need repairs or accessibility modifications. In Morgan Hill, the older adult population is rising rapidly. As of 2019, there were about 6,240 older adults living in the City, up nearly 150 percent since 2000. Older adults also represent an increasing proportion of the total population, from 7.5 percent in 2010 to 14 percent in 2019.

Older adults, as a group, have lower incomes than the population at large. Older adults who rent may be at even greater risk for housing challenges than those who own, due to income differences between these groups. The largest proportion of older adult households who rent make *0%-30% of AMI*, while the largest proportion of older adult households who are homeowners falls in the income group *Greater than 100% of AMI*.

Although most older adults own their homes, often unencumbered by debt, many may be in a situation characterized as “house rich and cash poor.” In other words, a person may have large equity in a home, but still be forced to live on a minimal fixed income. Selling the home may not be an available option, because the cost to rent a housing unit may override the income made available by the home sale.

The vast majority of older adults and persons with disabilities desire to live an independent lifestyle as long as possible. The independent living movement supports the idea that individuals with disabilities can make their own decisions about living, working, and interacting with the surrounding community. Housing and assistance programs for older adults and those with disabilities should put priority on independent living, attempting first to maintain these persons in their own homes and to age in place. Other housing options are accessory dwelling units and duplexes that allow older adults to live near extended families while maintaining privacy.

As Morgan Hill’s population continues to age, there will be increasing demand for age-friendly housing built with universal design principles. A few universal design elements include: zero-step entrances, single-floor living, wide hallways and doorways, and electronic controls reachable from a wheelchair. Housing design features that increase accessibility and safety can allow those with mobility disabilities much more independent in their home.

The Housing Element contains policies to support the independent living movement by helping older adults and people with disabilities stay in their homes and promoting universal design and accessibility in housing throughout

the city.

KEY FACTS

- ❖ Approximately **4,000** Morgan Hill residents have a disability (about **9.1%** of the population).
- ❖ Of the total population of people with disabilities, over **100** Morgan Hill residents between the age of 20 to 64 have incomes below the poverty line (about **\$34,700**); in contrast 852 individuals below the poverty line do not have a disability.
- ❖ In 2019, seniors accounted for **14%** of the population in Morgan Hill.
- ❖ The senior population has increased nearly **150%** between 2000 and 2019.
- ❖ In 2019, **80%** of older adults were homeowners.

DEFINITIONS

- ❖ **Universal Design.** The design of buildings, products, and environments that make them accessible and safe to all people regardless of age, size, ability, or disability.

Policies

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.

HE-6.2 State and Federal Accessibility Requirements. Continue to enforce State and federal requirements for accessibility to the disabled in new multi-family units.

HE-6.3 Work with Other Agencies. Continue to work with outside agencies and organizations to maximize housing opportunities for the full spectrum of housing needs.

HE-6.4 Use CDBG and Other Funding. Use CDBG and other available funds to support the provision of housing

related services for groups with special needs such as the elderly, single parents with children, and survivors of gender-based violence.

HE-6.5 Preferential Handling of Special Needs Populations. Provide preferential handling of special needs populations, such as survivors of gender-based violence cases, youth aging out of foster care, the developmentally disabled, single parents, farmworkers, the unhoused, veterans, etc., in the management plans and regulatory agreements of funded projects.

HE-6.6 Universal Design in New Housing. Strive to achieve universal design in new residential housing units to maximize visitability and provide housing for people with disabilities and allow older adults to age in place (for example, have a bedroom and bathroom on the ground floor, or have the entire unit contained within a single floor).

HE-6.7 Reasonable Accommodation Ordinance. Ensure people with disabilities have equal opportunity to use and enjoy their housing by providing a process to request modification to a land use or zoning standard, regulation, policy, or

procedure.

HE-6.8 Encourage Accessible Housing Near Transit and Amenities. Encourage the development, rehabilitation, and preservation of accessible housing, particularly in neighborhoods that are accessible to public transit, commercial services, and health and community facilities.

HE-6.9 Financial Assistance for Accessible Affordable Housing. Seek opportunities to provide financial assistance and other incentives for affordable housing and permanent supportive housing projects that exceed the minimum accessibility provisions of State and Federal law.

HE-6.10 Partner with Community Based Non-profit Organizations. Support and partner with community-based organizations that develop affordable housing, retrofit existing housing, and provide supportive services for older adults and people with disabilities.

HE-6.11 Emergency Home Repairs and Accessibility Retrofits. Continue to provide low- and very low-income residents, seniors, and persons with disabilities with loans for emergency repairs and/or accessibility modifications to their homes.

Goal 7: Increase community outreach and promote education of affordable housing



Implement a community engagement and awareness campaign around affordable housing with the intent to raise awareness of Housing Programs, Housing Search, and to demystify Affordable Housing.

The City is committed to expanding outreach and education to better reach vulnerable and at-risk households and to demystify affordable housing.

During the public outreach component of the Housing Element Update it became apparent that there is not enough education or outreach about affordable housing within Morgan Hill and the South County as a whole. Nearly all of the stakeholder focus group meetings that City staff held, all groups indicated that there is not enough information available to families and individuals about affordable housing assistance; in particular, more outreach is needed for people experiencing homelessness or at-risk of homelessness.

Stakeholders indicated that many forms of education are needed; as their clients seek information for financial education, digital education, availability of affordable housing programs, accessory dwelling units. Another common theme that was brought up by stakeholders is the need for a Single Source Database to streamline affordable housing searches and to apply for affordable housing at multiple locations.

There are multiple fair housing organizations serving Morgan Hill. The organization most directly focused on fair housing is Project Sentinel, a non-profit based in Santa Clara (but serving the entire county) which aims to promote fair housing through fair housing testing, the filing of administrative complaints, and landlord-tenant mediation. Santa Clara County provides CDBG funds to Project Sentinel to serve a geographic area that includes Morgan Hill. However, this private fair housing outreach and enforcement may not be sufficient.

Through the multiple survey processes the City conducted, 24 percent of stakeholders indicated that the City needs to increase funding for fair housing education, outreach, and enforcement; and 36 percent of stakeholders indicated that the City needs to conduct additional community education and outreach to inform residents about affordable housing and how to seek assistance. In contrast, 29 percent of individuals who responded to the survey indicated the City needs to increase affordable housing education and outreach.

Policies

HE-7.1 Local Needs. Educate and market Housing programs to local residents and local employees on how to access housing programs, services and affordable housing opportunities throughout the City.

HE-7.2 Publicity for City Programs. Publicize and broaden understanding of City housing programs, including the discrimination complaints procedure, making special outreach efforts to the non-English speaking community and underserved/underrepresented populations.

HE-7.3 Single Source Database. Explore opportunities to streamline housing search, consider supporting a single source affordable housing database/portal that allows residents to submit a single application for multiple affordable housing developments.

HE-7.4 Unhoused and Homelessness Prevention Program Outreach.

Create opportunities to increase community knowledge of the existing range of service for the unhoused and homelessness prevention resources, including direct outreach and engagement with the unhoused community.

HE-7.5 Awareness and Support. Work to increase community knowledge of the shortage of housing statewide, the need for awareness, and work to harness support for affordable housing citywide.

HE-7.6 Community Education. Create opportunities for community discussions and education about homelessness, housing insecurity, and affordable housing, to achieve an atmosphere of acceptance and understanding.



CHAPTER 5 | Implementation

This Housing Element addresses the City's housing issues with a comprehensive and bold strategy.

The City is committed to implementing the programs outlined in this chapter over the eight-year planning period. These implementation programs/actions have been developed with extensive community input and with thoughtful consideration for what the City could feasibly accomplish during the planning period with current staff resources.

The result is a set of implementation programs/actions that prioritize what will be the most effective in terms of moving the needle and getting more housing, particularly affordable housing, built in Morgan Hill. Identification of actions is the first step towards implementing the City's housing strategy; successful implementation will require ongoing management, oversight, and collaboration. The City will continually monitor progress and report on these programs annually to the City Council and to the California Department of Housing and Community Development (HCD).

The implementation programs are first organized below by the overarching Goal. Each program then describes the proposed action, the policy(ies) it implements, the timeframe for accomplishing the action, and the City departments primarily responsible for implementing the program.

The Quantified objectives lay out the number of housing units that the City expects to be constructed, maintained, and preserved within the planning period. These numbers are based largely on the implementation actions, particularly the ones with measurable outcomes.

Implementation Programs/Actions

Action HE-1.A Evaluate Land Availability Annually



Evaluate annually the amount of land available for development and the projected eight-year need, and update the General Plan and zoning as necessary to accommodate the City's regional housing allocation.

- ❖ **Implements which Policy(ies):** HE-1.1
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** General Plan Update Fee

Action HE-1.B Coordination with Capital Improvement Plan



Evaluate annually submitted development projects and coordination with the Capital Improvement Program to assure adequate public facilities are provided for each development.

- ❖ **Implements which Policy(ies):** HE-1.2
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Engineering and Utilities Department
- ❖ **Source of Funding:** Capital Projects Funds

Action HE-1.C Smaller Lot Sizes



Evaluate the creation of smaller lot sizes through the Zoning Code to reduce the cost of single-family housing units obtainable to lower income households.

- ❖ **Implements which Policy(ies):** HE-1.3; HE-1.15
- ❖ **Timeframe:** 2023-2025
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Long Range Planning Fund

Action HE-1.D Update Funding Information



Annually identify State, federal, and local funding programs that are most applicable to Morgan Hill and have the greatest potential for funding affordable housing and housing programs in the city.

- ❖ **Implements which Policy(ies):** HE-1.6
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-1.E Housing Rehabilitation



Examine opportunities to modify existing loan terms to support substantial housing rehabilitation to property owners with extremely low-, very low-, or low-income tenants in exchange for longer term affordability.

- ❖ **Implements which Policy(ies):** HE-1.7
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Community Development Block Grant

Action HE-1.F First-Time Homebuyer Program



Partner with agencies that provide a first-time homebuyer down payment assistance program targeted to below market rate income qualified applicants that are residents and employees of Morgan Hill.

- ❖ **Implements which Policy(ies):** HE-1.7
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-1.G Promote Extremely Low-Income Housing



Provide priority funding consideration from the Affordable Housing Funds for extremely low-income housing developments.

- ❖ **Implements which Policy(ies):** HE-1.7
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-1.H Update City's Affordable Housing Strategy



Continue to update the City's Affordable Housing Strategy with the most current Census data. Identify methods to create housing affordable to extremely low-income households.

- ❖ **Implements which Policy(ies):** HE-1.8
- ❖ **Timeframe:** 2028-2031
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-1.I Review Housing Objectives Annually



Review housing objectives annually and recommend program modifications if annual housing objectives are not being met.

- ❖ **Implements which Policy(ies):** HE-1.8
- ❖ **Timeframe:** Each Spring as part of annual report to City Council
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-1.J Downtown Specific Plan



Update the Downtown Specific Plan to accommodate the expanded Priority Development Area.

- ❖ **Implements which Policy(ies):** HE-1.11
- ❖ **Timeframe:** 2025
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Long Range Planning Fund.

Action HE-1.K Review Affordable Housing Funds



Review annual Low to Moderate Housing Fund and Housing In-lieu Fund balance and prioritize a portion of existing and expected funds for land acquisition.

- ❖ **Implements which Policy(ies):** HE-1.13
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-1.L Rental Assistance Programs



Undertake the following: (1) Refer rental property owners to the Santa Clara County's Housing Authority's waiting list; (2) When in contact with rental property owners, inform them of the Housing Authority's vouchers program; and, (3) Promote the availability of vouchers for use in the rental rehabilitation program.

- ❖ **Implements which Policy(ies):** HE-1.18
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-2.A Review Height Limits



Review and update the Zoning Ordinance and other Objective Standards to ensure that height limits allow for a desirable design at the intended density.

- ❖ **Implements which Policy(ies):** HE-2.1
- ❖ **Timeframe:** 2028-2031
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Development Services Fund; Long Range Planning Fund

Action HE-2.B Partnership for Tax Credits



Continue to support applications for Low-Income Housing Tax Credits.

- ❖ **Implements which Policy(ies):** HE-2.2
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-2.C Promote Funding Opportunities



Promote affordable development funding opportunities, such as the Joe Serna Farmworker Housing Grant Program, and aid in the commission of a necessary market study for application purposes.

- ❖ **Implements which Policy(ies):** HE-2.3
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-2.D Support Measure A Applications



Continue to support applications for the Measure A Affordable Housing Bond, Community Development Block Grant Funds, HOME funds, and Project HomeKey.

- ❖ **Implements which Policy(ies):** HE-2.3
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-2.E Strategically Urban Housing Development Incentives



Provide incentives for residential and mixed-use development at major transit nodes, along transit corridors, and in other locations suitable for high-density housing development, as appropriate.

- ❖ **Implements which Policy(ies):** HE-2.3
- ❖ **Timeframe:** 2028-2031
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Development Services Fund

Action HE-2.F Community Plan to End Homelessness



Implement the Countywide Community Plan to End Homelessness adopted by the Santa Clara County Continuum of Care (CoC); review annual progress and report to the County and other community stakeholders.

- ❖ **Implements which Policy(ies):** HE-2.5; HE-5.1; 5.3
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund, Housing In-lieu Fund, and Destination Home Grant

Action HE-2.G Continuum of Care



Participate in the Continuum of Care (CoC), stakeholders dedicated to ending and preventing homelessness in Santa Clara County. The key CoC responsibilities are ensuring community-wide implementation of efforts to end homelessness, as well as ensuring programmatic and systemic effectiveness.

- ❖ **Implements which Policy(ies):** HE-2.5
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-2.H Direct Service to Unhoused Residents



Provide direct service and outreach to unhoused residents consistent with the community-wide intake process to match people experiencing homelessness to existing community resources that are best fit for their situation.

- ❖ **Implements which Policy(ies):** HE-2.5
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department

- ❖ **Source of Funding:** Destination Home Grant

Action HE-2.I Host Empower Homebuyers SCC Workshops



Continue to organize and host workshops for Empower Homebuyers SCC, a program of the County of Santa Clara administered by Housing Trust Silicon Valley.

- ❖ **Implements which Policy(ies):** HE-2.5
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-2.J Advocate for State and Federal Legislative Changes



Advocate for the availability of capacity building grants for jurisdictions charged with administering housing programs and assets.

- ❖ **Implements which Policy(ies):** HE-2.11
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-2.K Commercial Linkage Fee



Develop and consider a Commercial Linkage Fee Ordinance or similar mechanism when the City has met a housing-job balance of 1:1 ratio.

- ❖ **Implements which Policy(ies):** HE-2.12
- ❖ **Timeframe:** 2028-2031
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Long Range Planning Fund

Action HE-2.L Agricultural Labor Accommodations



Amend the Zoning Code by 2024 to facilitate by-right Agricultural Labor Accommodations within the OS (Open Space) zoning district consistent with Section 17021.6 of the California Health and Safety Code.

- ❖ **Implements which Policy(ies):** HE-2.14
- ❖ **Timeframe:** 2024
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Long Range Planning Fund

Action HE-2.M Farmworker Housing



Produce a Farmworker Housing Development Program with the County of Santa Clara through a Memorandum of Understanding.

- ❖ **Implements which Policy(ies):** HE-2.14; HE-2.15; HE-2.16
- ❖ **Timeframe:** 2024
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

DRAFT

Action HE-3.A Affordable Housing in Eastern Morgan Hill



Identify opportunities and sites for affordable housing development in eastern Morgan Hill.

- ❖ **Implements which Policy(ies):** HE-3.1
- ❖ **Timeframe:** 2028-2031
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Development Services Fund, Low to Moderate Housing Fund, and Housing In-lieu Fund

Action HE-3.B Affordable Housing Overlay Districts



Study the creation of affordable housing overlay districts in advance of the next Housing Element cycle.

- ❖ **Implements which Policy(ies):** HE-3.1
- ❖ **Timeframe:** 2028-2031
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Long Range Planning Fund.

Action HE-3.C Rent Increase Mediation



Consider adoption of a mediation requirement for rent increases of 5% or more.

- ❖ **Implements which Policy(ies):** HE-3.2
- ❖ **Timeframe:** 2025-2027
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-3.D Tenant Relocation Assistance Ordinance



Study the possibility of a tenant relocation assistance ordinance.

- ❖ **Implements which Policy(ies):** HE-3.2
- ❖ **Timeframe:** 2025-2027
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-3.E Eviction Counsel



Seek funding or develop paths of support for access to counsel in possessory eviction cases.

- ❖ **Implements which Policy(ies):** HE-3.2
- ❖ **Timeframe:** 2025-2027
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-3.F Shared-equity Homeownership Models



Study the possibility of shared-equity homeownership models.

- ❖ **Implements which Policy(ies):** HE-3.2
- ❖ **Timeframe:** 2025-2027
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-3.G Review Inclusionary Housing Ordinance



Review the Inclusionary Housing Ordinance to provide deeper for-sale affordability beyond the updated 2021 Inclusionary Housing Ordinance.

- ❖ **Implements which Policy(ies):** HE-3.2
- ❖ **Timeframe:** 2028-2031
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-3.H Preferences for Displaced Tenants



Adopt preferences for tenants who have been displaced from rental housing in Morgan Hill.

- ❖ **Implements which Policy(ies):** HE-3.2
- ❖ **Timeframe:** 2025-2027
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-3.I Create Jobs within Downtown Morgan Hill Priority Development Area



Prioritize the creation of jobs that are accessible to low- and very low-income workers who reside within the Downtown Morgan Hill Priority Development Area (PDA).

- ❖ **Implements which Policy(ies):** HE-3.3
- ❖ **Timeframe:** 2023-2024
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** General Fund

Action HE-3.J Incentives to Hire Morgan Hill Residents



Create incentives for local businesses to hire Morgan Hill residents.

- ❖ **Implements which Policy(ies):** HE-3.3
- ❖ **Timeframe:** 2023-2024
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** General Fund

Action HE-3.K Expand Bus Service



Advocate for VTA to expand bus service in Morgan Hill.

- ❖ **Implements which Policy(ies):** HE-3.3
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** General Fund

Action HE-3.L Local First Mile/Last Mile Transit Service



Study local first mile/last mile transit service solutions in Morgan Hill building on lessons learned from the first on-call shuttle service established within the City.

- ❖ **Implements which Policy(ies):** HE-3.3
- ❖ **Timeframe:** 2028-2031
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Capital Projects Fund and General Fund

Action HE-4.A Annual Monitoring of Potential At-Risk BMR Units



Annually monitor the status of at-risk BMR housing units. Contact current property owners of at-risk units to determine their financial objectives and appropriate financial assistance needed to meet those objectives.

- ❖ **Implements which Policy(ies):** HE-4.1
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-4.B Preserve Affordable Housing



Prioritize the preservation of existing affordable housing at risk of loss of affordability covenants.

- ❖ **Implements which Policy(ies):** HE-4.1
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-4.C Rehabilitation



Promote grants to the disabled, seniors, and low-income homeowners to rehabilitate housing units through Rebuilding Together Silicon Valley.

- ❖ **Implements which Policy(ies):** HE-4.1
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Community Development Block Grant

Action HE-5.A Low Barrier Navigation Centers



Amend the Zoning Code by 2024 to facilitate by-right processing procedures for Low Barrier Navigation Centers consistent with Assembly Bill 101.

- ❖ **Implements which Policy(ies):** HE-5.1
- ❖ **Timeframe:** 2023-2024
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Long Range Planning Fund

Action HE-5.B Biannual Homeless Survey



Coordinate the City's biannual Homeless Census and Survey in partnership with the County of Santa Clara every two years to conduct comprehensive counts of homeless residents to measure the prevalence of homelessness in the communities.

- ❖ **Implements which Policy(ies):** HE-5.1
- ❖ **Timeframe:** Ongoing; biannually
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-5.C Homeless Prevention Rental Assistance



Provide homeless prevention rental assistance through an ongoing County of Santa Clara Rapid Rehousing program, targeting families at risk of homelessness.

- ❖ **Implements which Policy(ies):** HE-5.1; HE-5.2; HE-5.5; HE-5.6
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-5.D Safe Park Program



Operate a Safe Park Program with the faith-based community offering an eight space, pet friendly overnight respite at a local church for eight homeless families living in their cars.

- ❖ **Implements which Policy(ies):** HE-5.1; HE-5.2; HE-5.4
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-5.E Inclement Cold Weather Shelter Program



Coordinate the Inclement Cold Weather Shelter operation with the faith-based community.

- ❖ **Implements which Policy(ies):** HE-5.1; HE-5.2; HE-5.4
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-5.F List of Available Services



Provide a comprehensive, user friendly, list of homeless and social services available.

- ❖ **Implements which Policy(ies):** HE-5.1; HE-5.2
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-5.G Provide Direct Services



Provide direct services, case management, and homeless outreach through the City's Unhoused Specialist to engage and offer support and basic needs to our homeless residents. Work alongside the Psychiatric Emergency Response Team (PERT), a Mental Health Collaboration with the County Behavioral Health Department.

- ❖ **Implements which Policy(ies):** HE-5.1; HE-5.3; HE-5.5; HE-5.12
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Destination Home Grant

Action HE-5.H Supportive, Transitional, and Emergency Housing



Maintain provisions for supportive and transitional housing and emergency shelters in the City's Zoning.

- ❖ **Implements which Policy(ies):** HE-5.1; HE-5.4; HE-5.7; HE-5.8; HE-6.9; HE-6.10
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department

- ❖ **Source of Funding:** Development Services Fund

Action HE-5.I By-right Transitional and Supportive Housing



Amend the Zoning Code by 2024 to facilitate by-right transitional and supportive housing where multi-unit and mixed-use development is permitted consistent with Assembly Bill 2162.

- ❖ **Implements which Policy(ies):** HE-5.1; HE-5.4; HE-5.7; HE-5.8; HE-6.9; HE-6.10
- ❖ **Timeframe:** 2023-2024
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Long Range Planning Fund

Action HE-5.J Shelter Bed Hotline



Participate and promote the countywide coordinated shelter bed hotline.

- ❖ **Implements which Policy(ies):** HE-5.12
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-6.A Housing for Developmentally Disabled Adults



Work with non-profit organizations to evaluate the need for additional units in Morgan Hill for developmentally disabled adults.

- ❖ **Implements which Policy(ies):** HE-6.2
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-6.B San Andreas Regional Center Coordination



Coordinate with San Andreas Regional Center to integrate adults with developmental disabilities into housing integrated with the rest of the community.

- ❖ **Implements which Policy(ies):** HE-6.2
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-6.C Emergency Voucher Program



Consider implementing a one-time emergency voucher program to assist residents displaced by criminal activity, natural disasters, or other emergencies. Coordinate with social service providers.

- ❖ **Implements which Policy(ies):** HE-6.5
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-6.D Increase Awareness of Universal Design Principles



Educate the Planning Commission about universal design. Make information available at the Development Services Center.

- ❖ **Implements which Policy(ies):** HE-6.6
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Development Services Fund

Action HE-6.E Universal Design Ordinance



Study, and if appropriate, adopt a universal design ordinance or policies or objective standards to encourage the inclusion of universal design features in new construction. Options include identifying minimum, cost-effective amenities for all new construction.

- ❖ **Implements which Policy(ies):** HE-6.6
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Development Services Fund

DRAFT

Action HE-7.A Outreach and Education



Implement a community engagement and awareness campaign around affordable housing with the intent to raise awareness of Housing Programs, Housing Search, and to demystify Affordable Housing.

- ❖ **Implements which Policy(ies):** HE-3.4; HE-7.1; HE-7.2; HE-7.3; HE-7.4; HE-7.5; HE-7.6
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-7.B Market Accessory Dwelling Unit (ADU) Programs



Increase education and awareness of Accessory Dwelling Unit (ADU) programs to homeowners and partner with Community Development Financial Institutions (CDFIs) to market existing loan programs available for ADUs.

- ❖ **Implements which Policy(ies):** HE-1.3; HE-1.5; HE-7.1; HE-7.2; HE-7.5; HE-7.6
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Development Services Fund, Low to Moderate Housing Fund, and Housing In-lieu Fund

Quantified Objectives

State law (California Government Code Section 65583[b]) requires that housing elements contain quantified objectives for the maintenance, preservation, and construction of housing. The quantified objectives set a target goal for Morgan Hill to strive for based on needs, resources, and constraints.

	<i>Extremely Low Income</i>	<i>Very Low Income</i>	<i>Low Income</i>	<i>Moderate Income</i>	<i>Above Moderate Income</i>	<i>TOTAL</i>
New Construction ¹	131	131	151	174	450	1,037
Rehabilitation	23	34	43	N/A	N/A	100
Conservation/ Preservation	N/A	N/A	N/A	N/A	N/A	N/A

¹ New construction objective is equal to the RHNA.



Appendix H1

Housing Needs Assessment

City of Morgan Hill Housing Element 2023-2031

DRAFT

Table of Contents

City of Morgan Hill Housing Element

APPENDIX H-1 Housing Needs Assessment	H-1-i
1.1 Introduction.....	H-1-1
1.2 Summary of Key Facts.....	H-1-1
1.3 Looking to the Future: Regional Housing Needs.....	H-1-3
1.4 Population, Employment, and Housing Characteristics.....	H-1-5
1.5 Housing Stock Characteristics.....	H-1-24
1.6 Special Housing Needs.....	H-1-41
1.7 Summary.....	H-1-54

Figures

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

Figure H 1-38: Female-Headed Households by Poverty Status.....	H-1-44
Figure H 1-39: Senior Households by Income and Tenure.....	H-1-45
Figure H 1-40: Disability by Type.....	H-1-46
Figure H 1-41: Homelessness by Household Type and Shelter Status, Santa Clara County.....	H-1-48
Figure H 1-42: Racial Group Share of General and Homeless Populations, Santa Clara County....	H-1-49
Figure H 1-43: Latinx Share of General and Homeless Populations, Santa Clara County.....	H-1-50
Figure H 1-44: Characteristics for the Population Experiencing Homelessness, Santa Clara County.....	H-1-51
Figure H 1-45: Farm Operations and Farm Labor by County, Santa Clara County.....	H-1-53
Figure H 1-46: Population with Limited English Proficiency.....	H-1-54

Tables

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

APPENDIX H-1 | Housing Needs Assessment

1.1 Introduction

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

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

1.2 Summary of Key Facts

- **Population** – Generally, the population of the Bay Area continues to grow because of natural growth and because the strong economy draws new residents to the region. The population of Morgan Hill increased by 38.3% from 2000 to 2020, which is above the growth rate of the Bay Area.
- **Age** – In 2019, Morgan Hill's youth population under the age of 18 was 11,606, and senior population 65 and older was 6,240. These age groups represent 26.0% and 14.0%, respectively, of Morgan Hill's population.
- **Race/Ethnicity** – In 2020, 49.0% of Morgan Hill's population was White while 1.7% was African American, 13.7% was Asian, and 31.3% was Latinx. People of color in Morgan Hill comprise a proportion below the overall proportion in the Bay Area as a whole.¹
- **Employment** – Morgan Hill residents most commonly work in the *Health & Educational Services* industry. From January 2010 to January 2021, the unemployment rate in Morgan Hill decreased by 6.6 percentage points. Since 2010, the number of jobs located in the jurisdiction increased by 3,680 (28.0%). Additionally, the jobs-household ratio in Morgan Hill has increased from 1.18 in 2002 to 1.19 jobs per household in 2018.

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

- **Number of Homes** – The number of new homes built in the Bay Area has not kept pace with the demand, resulting in longer commutes, increasing prices, and exacerbating issues of displacement and homelessness. The number of homes in Morgan Hill increased, 19.4% from 2010 to 2020, which is *above* the growth rate for Santa Clara County and *above* the growth rate of the region’s housing stock during this time period.
- **Home Prices** – A diversity of homes at all income levels creates opportunities for all Morgan Hill residents to live and thrive in the community.
 - **Ownership** The largest proportion of homes had a value in the range of \$750k-\$1M in 2019. Home prices increased by 100.6% from 2010 to 2020.
 - **Rental Prices** – The typical contract rent for an apartment in Morgan Hill was \$1,680 in 2019. Rental prices increased by 37.2% from 2009 to 2019. To rent a typical apartment without cost burden, a household would need to make \$67,440 per year.²
- **Housing Type** – It is important to have a variety of housing types to meet the needs of a community today and in the future. In 2020, 59.0% of homes in Morgan Hill were single family detached, 17.7% were single family attached, 5.5% were small multifamily (2-4 units), and 9.8% were medium or large multifamily (5+ units). Between 2010 and 2020, the number of single-family units increased more than multi-family units. Generally, in Morgan Hill, the share of the housing stock that is detached single family homes is above that of other jurisdictions in the region.
- **Cost Burden** – The U.S. Department of Housing and Urban Development considers housing to be affordable for a household if the household spends less than 30% of its income on housing costs. A household is considered “cost-burdened” if it spends more than 30% of its monthly income on housing costs, while those who spend more than 50% of their income on housing costs are considered “severely cost-burdened.” In Morgan Hill, 20.1% of households spend 30%-50% of their income on housing, while 15.3% of households are severely cost burden and use the majority of their income for housing.
- **Displacement/Gentrification** – According to research from The University of California, Berkeley, 0.0% of households in Morgan Hill live in neighborhoods that are susceptible to or experiencing displacement, and 0.0% live in areas at risk of or undergoing gentrification. 22.6% of households in Morgan Hill live in neighborhoods where low-income households are likely excluded due to prohibitive housing costs. There are various ways to address displacement including ensuring new housing at all income levels is built.
- **Neighborhood** – 0.0% of residents in Morgan Hill live in neighborhoods identified as “Highest Resource” or “High Resource” areas by State-commissioned research, while 23.9% of residents live in areas identified by this research as “Low Resource” or “High

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

Segregation and Poverty” areas. These neighborhood designations are based on a range of indicators covering areas such as education, poverty, proximity to jobs and economic opportunities, low pollution levels, and other factors.³

- **Special Housing Needs** – Some population groups may have special housing needs that require specific program responses, and these groups may experience barriers to accessing stable housing due to their specific housing circumstances. In Morgan Hill, 9.1% of residents have a disability of any kind and may require accessible housing. Additionally, 13.3% of Morgan Hill households are larger households with five or more people, who likely need larger housing units with three bedrooms or more. 10.9% of households are female-headed families, which are often at greater risk of housing insecurity.

1.3 Looking to the Future: Regional Housing Needs

1.3.1 Regional Housing Needs Determination

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

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

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

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

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

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

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

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

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

1.3.2 Regional Housing Needs Allocation

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

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

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

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

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

1.4 Population, Employment, and Household Characteristics

1.4.1 Population

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

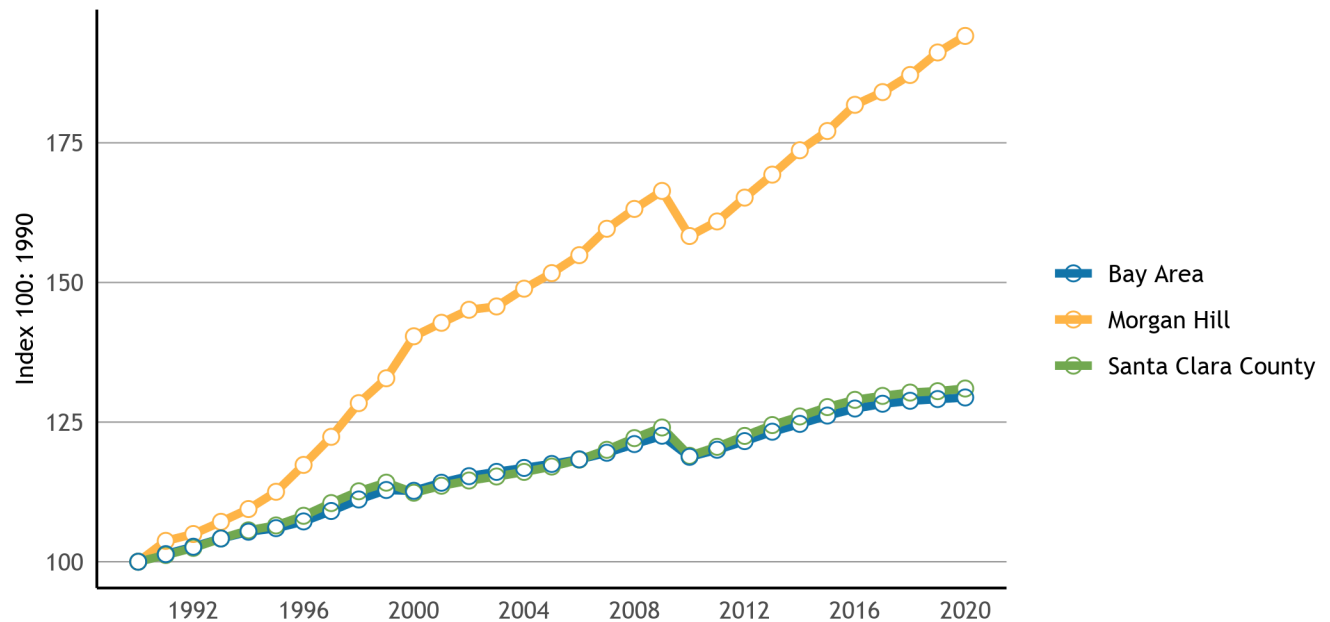
<i>Geography</i>	1990	1995	2000	2005	2010	2015	2020
Morgan Hill	23,928	26,924	33,586	36,292	37,882	42,380	46,454
Santa Clara County	1,497,577	1,594,818	1,682,585	1,752,696	1,781,642	1,912,180	1,961,969
Bay Area	6,020,147	6,381,961	6,784,348	7,073,912	7,150,739	7,595,694	7,790,537

Universe: Total population

Source: California Department of Finance, E-3 series

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

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

Figure H 1-1: Population Growth Trends

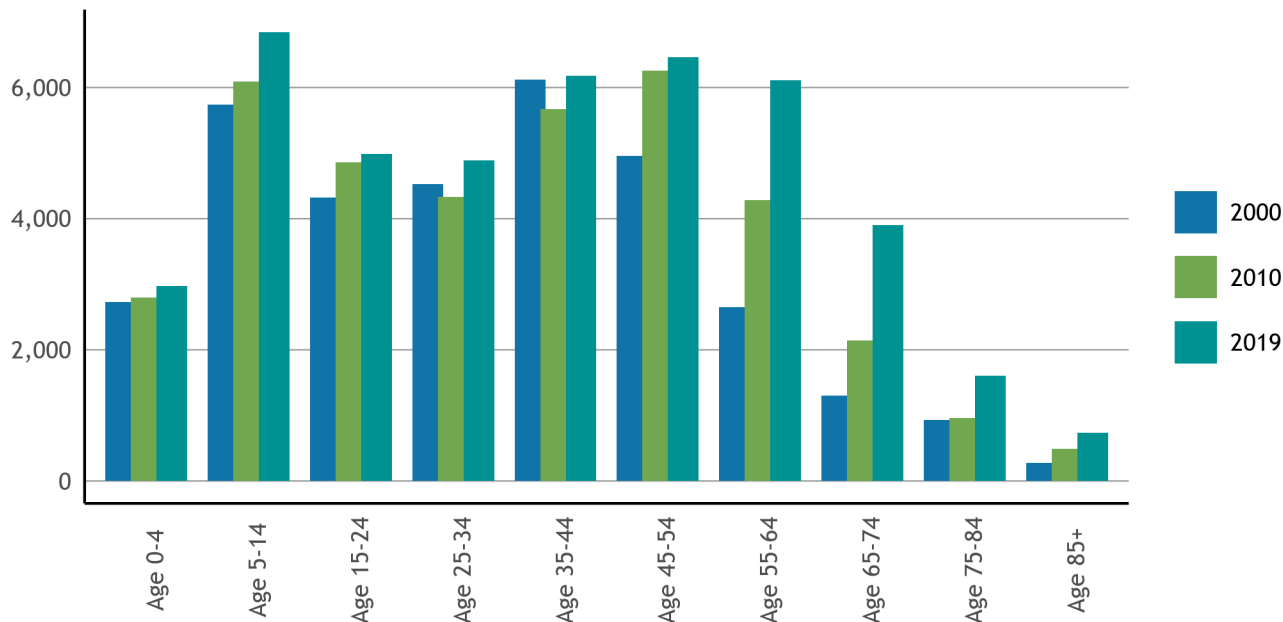
Source: California Department of Finance, E-5 series. Note: The data shown on the graph represents population for the jurisdiction, county, and region indexed to the population in the first year shown. The data points represent the relative population growth in each of these geographies relative to their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

1.4.2 Age

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

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

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



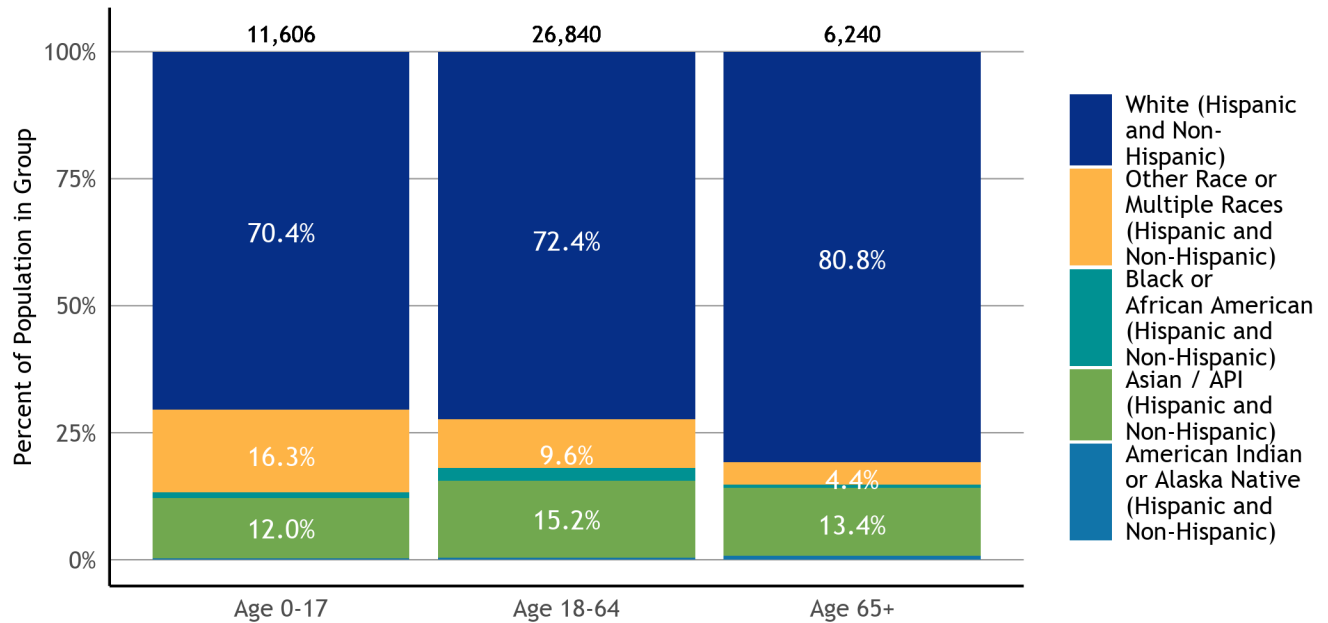
Universe: Total population

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

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

⁸ Here, we count all non-white racial groups

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



Universe: Total population

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

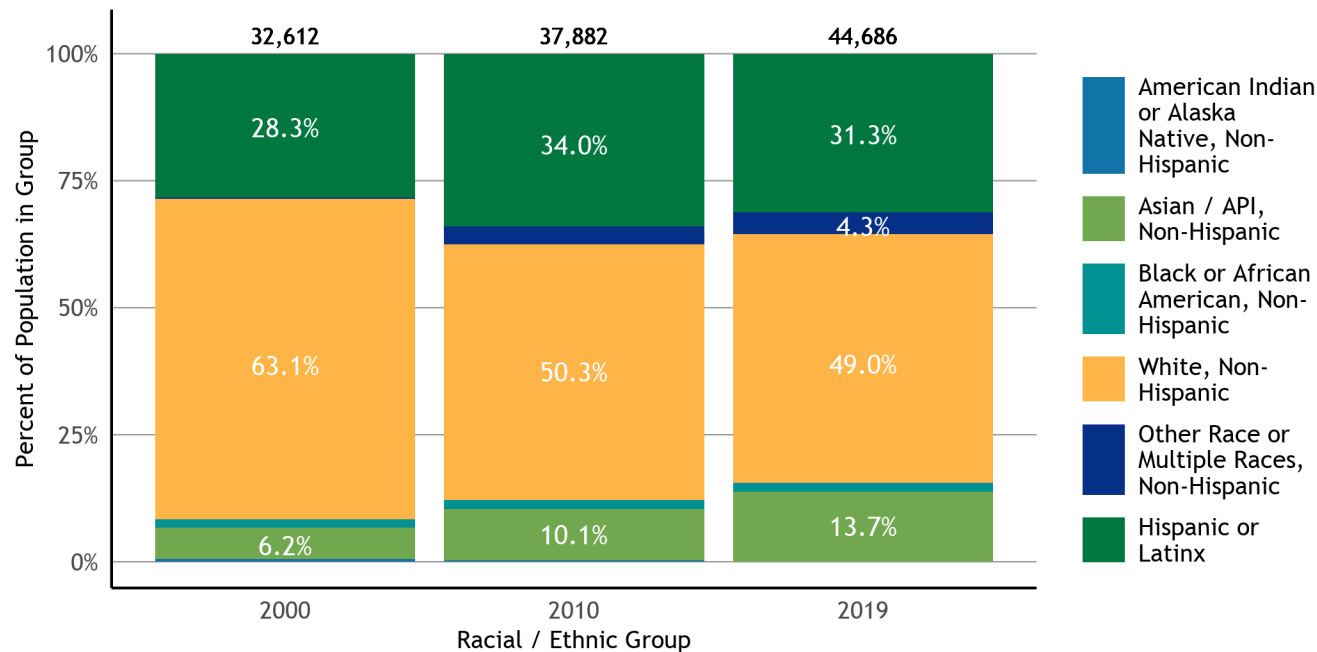
Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B01001(A-G)

1.4.3 Race and Ethnicity

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

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

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



Universe: Total population

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

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

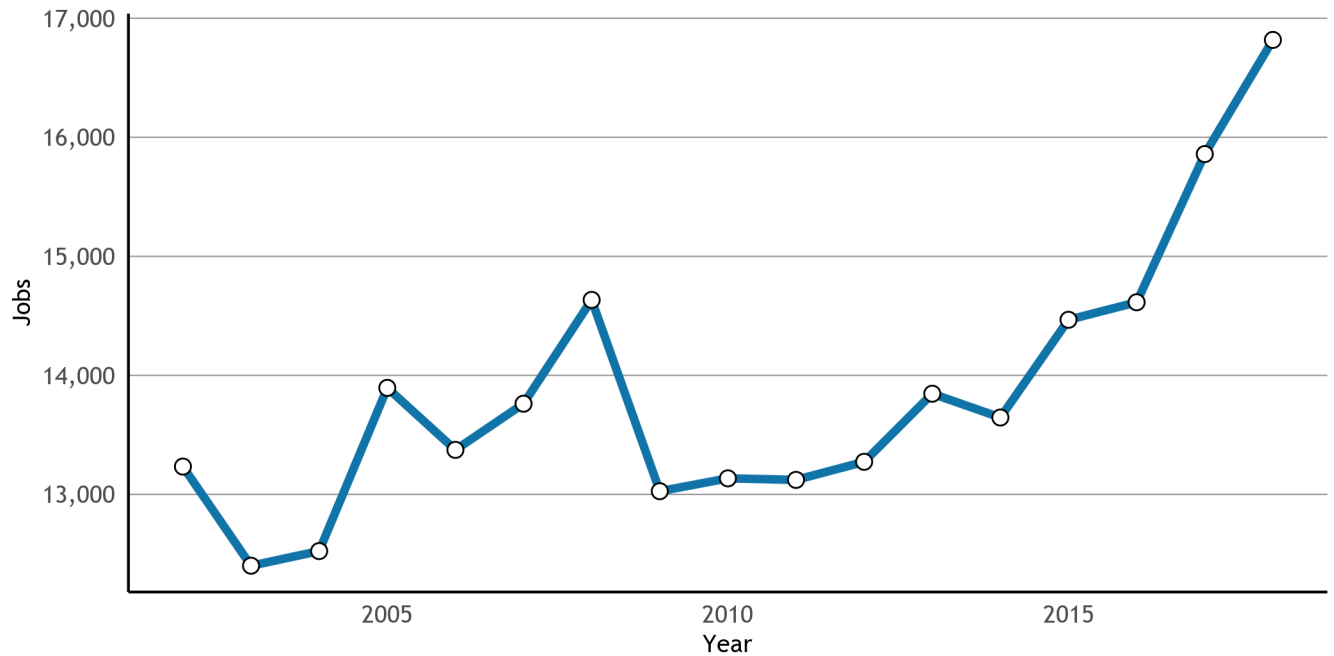
1.4.4 Employment Trends

1.4.4.1 Balance of Jobs and Workers

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

One measure of this is the relationship between *workers* and *jobs*. A city with a surplus of workers "exports" workers to other parts of the region, while a city with a surplus of jobs must conversely "import" them. Between 2002 and 2018, the number of jobs in Morgan Hill increased by 27.1% (see Figure 5).

Figure H 1-5: Jobs in a Jurisdiction



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

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

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

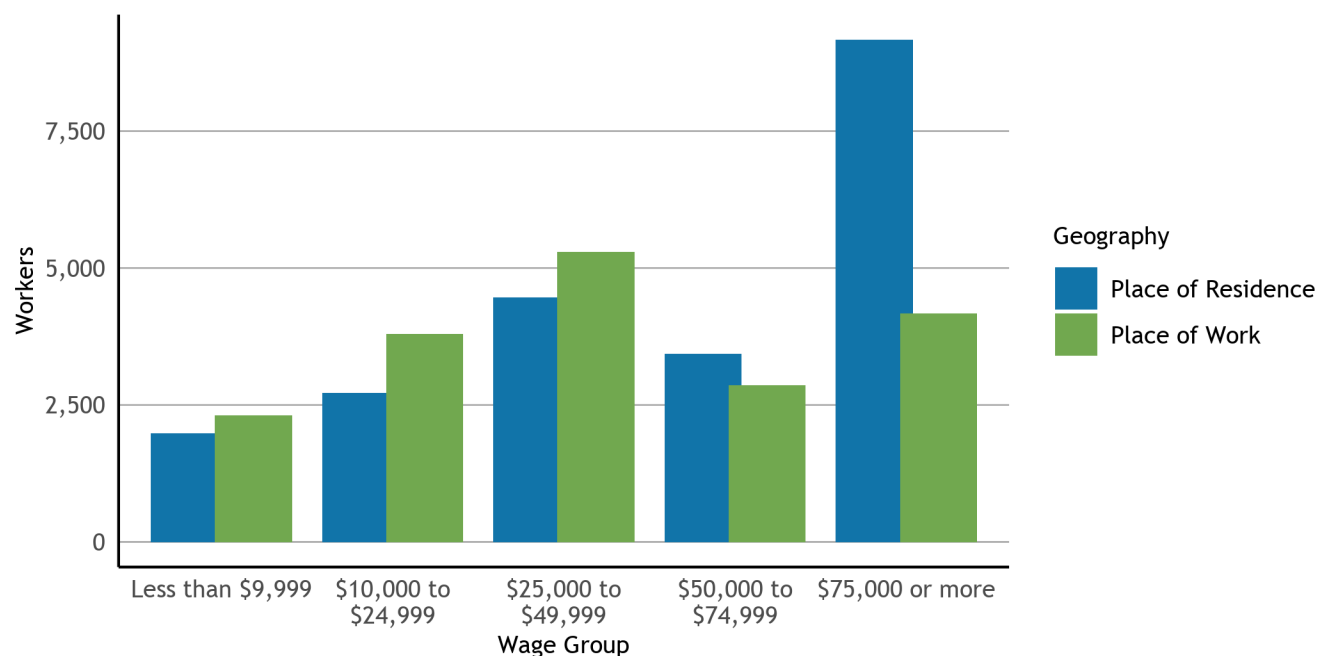
There are 21,775 employed residents, and 18,428 jobs¹⁰ in Morgan Hill - the ratio of jobs to resident workers is 0.85; Morgan Hill is a *net exporter of workers*.

Figure 6 shows the balance when comparing jobs to workers, broken down by different wage groups, offering additional insight into local dynamics. A community may offer employment for relatively low-income workers but have relatively few housing options for those workers. Conversely, it may house residents who are low wage workers, but offer few employment opportunities for them. Such relationships may cast extra light on potentially pent-up demand for housing in particular price categories. A relative *surplus* of jobs relative to residents in a given wage category suggests the need to import those workers, while conversely, surpluses of workers in a wage group relative to jobs means the community will export those workers to other jurisdictions. Such flows are not inherently bad, though over time, sub-regional imbalances may appear. Morgan Hill has more low-wage *jobs* than low-wage *residents* (where low-wage refers to jobs paying less than \$25,000). At the other end of the wage spectrum, the city has more high-

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

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

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



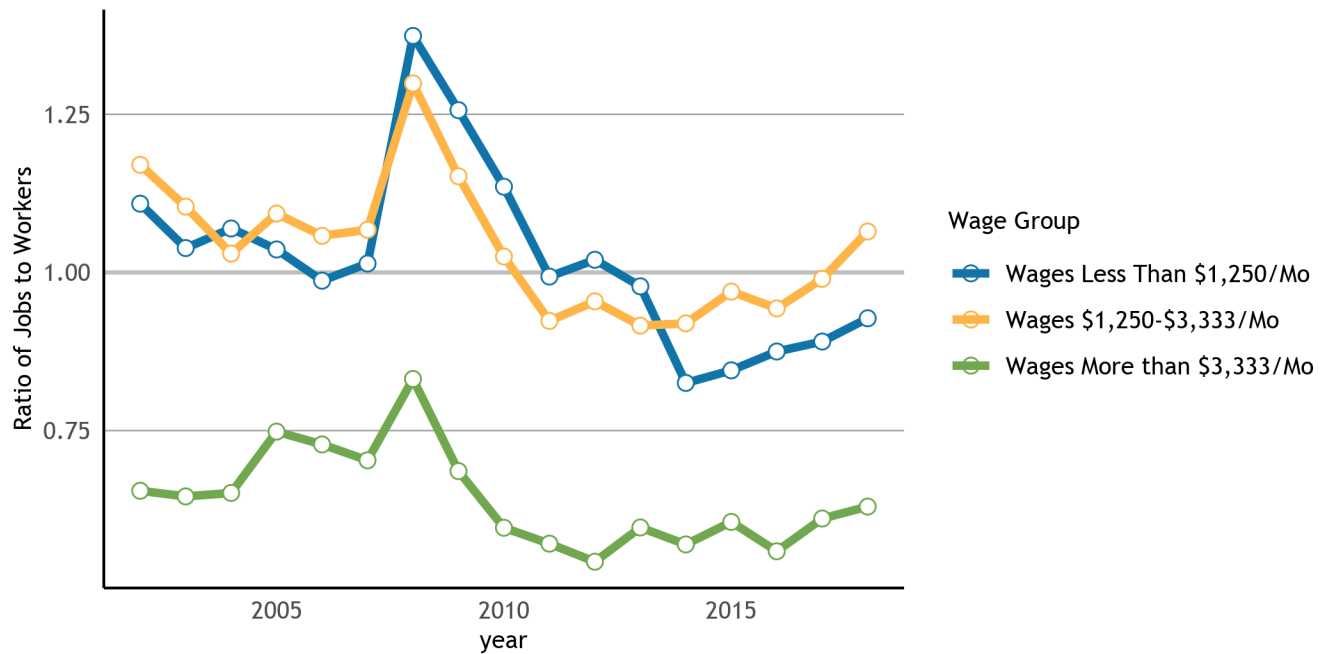
Universe: Workers 16 years and over with earnings

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

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

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

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



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

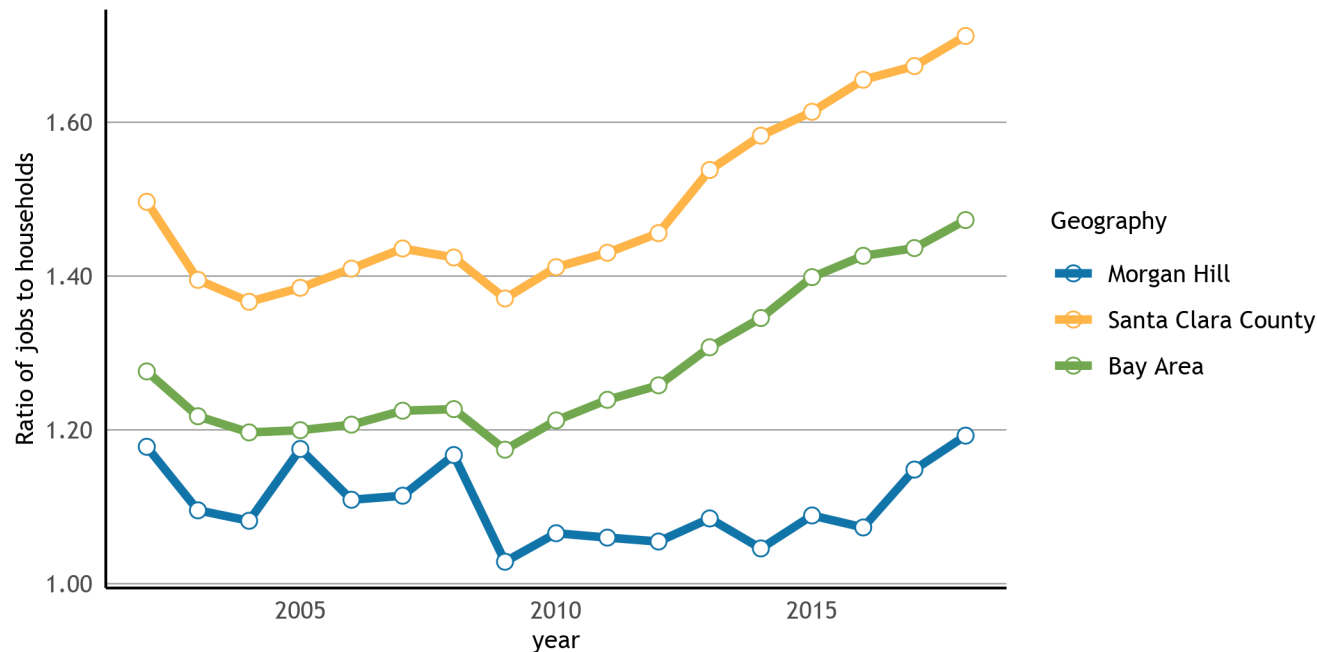
Notes: The ratio compares job counts by wage group from two tabulations of LEHD data: Counts by place of work relative to counts by place of residence. See text for details.

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

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

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

Figure H 1-8: Jobs-Household Ratio



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

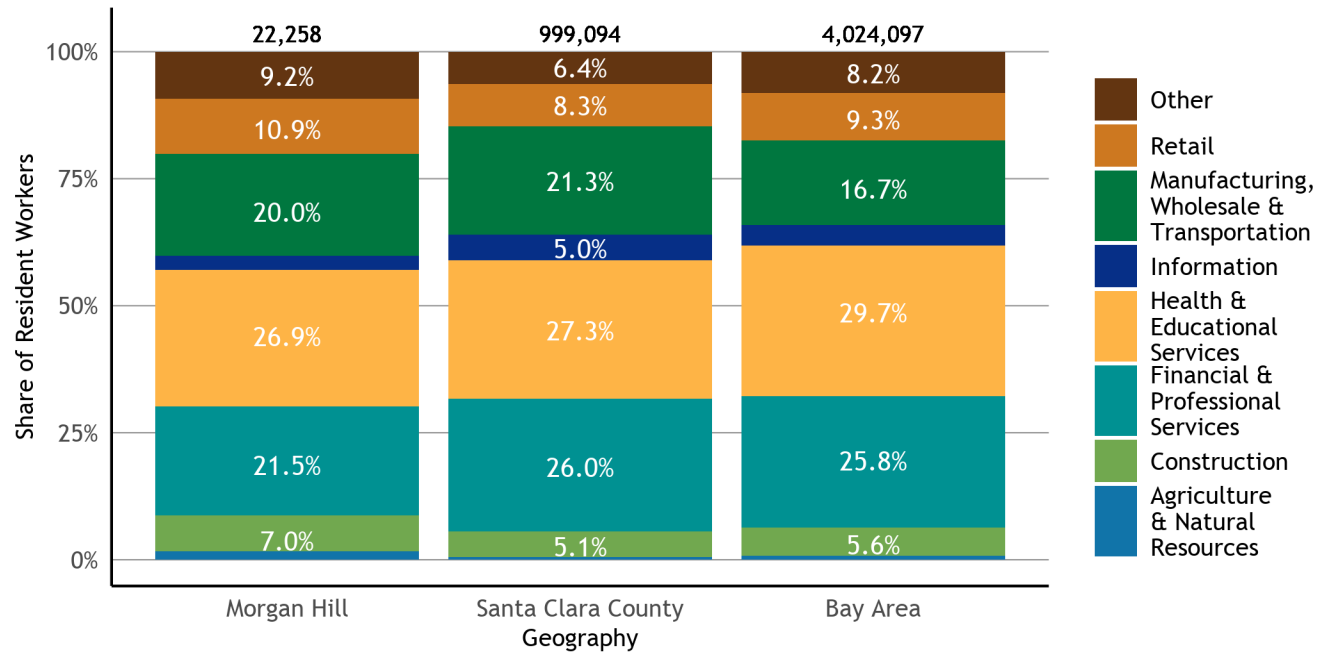
Notes: The data is tabulated by place of work, regardless of where a worker lives. The source data is provided at the census block level. These are crosswalked to jurisdictions and summarized. The ratio compares place of work wage and salary jobs with households, or occupied housing units. A similar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

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

1.4.4.2 Sector Composition

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

Figure H 1-9: Resident Employment by Industry



Universe: Civilian employed population age 16 years and over

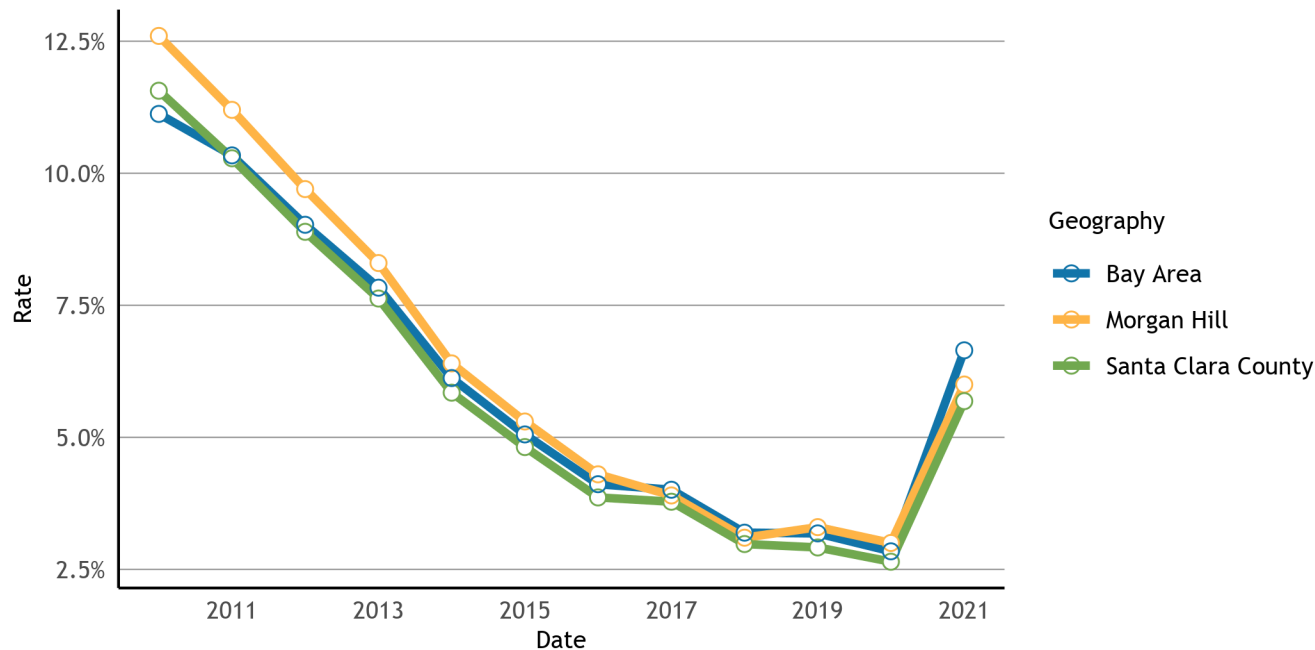
Notes: The data displayed shows the industries in which jurisdiction residents work, regardless of the location where those residents are employed (whether within the jurisdiction or not). Categories are derived from the following source tables: Agriculture & Natural Resources: C24030_003E, C24030_030E;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

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

1.4.4.3 Unemployment

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

Figure H 1-10: Unemployment Rate



Universe: Civilian noninstitutional population ages 16 and older

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

1.4.5 Extremely Low-Income Households

Despite the economic and job growth experienced throughout the region since 1990, the income gap has continued to widen. California is one of the most economically unequal states in the nation, and the Bay Area has the highest income inequality between high- and low-income households in the state¹².

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

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

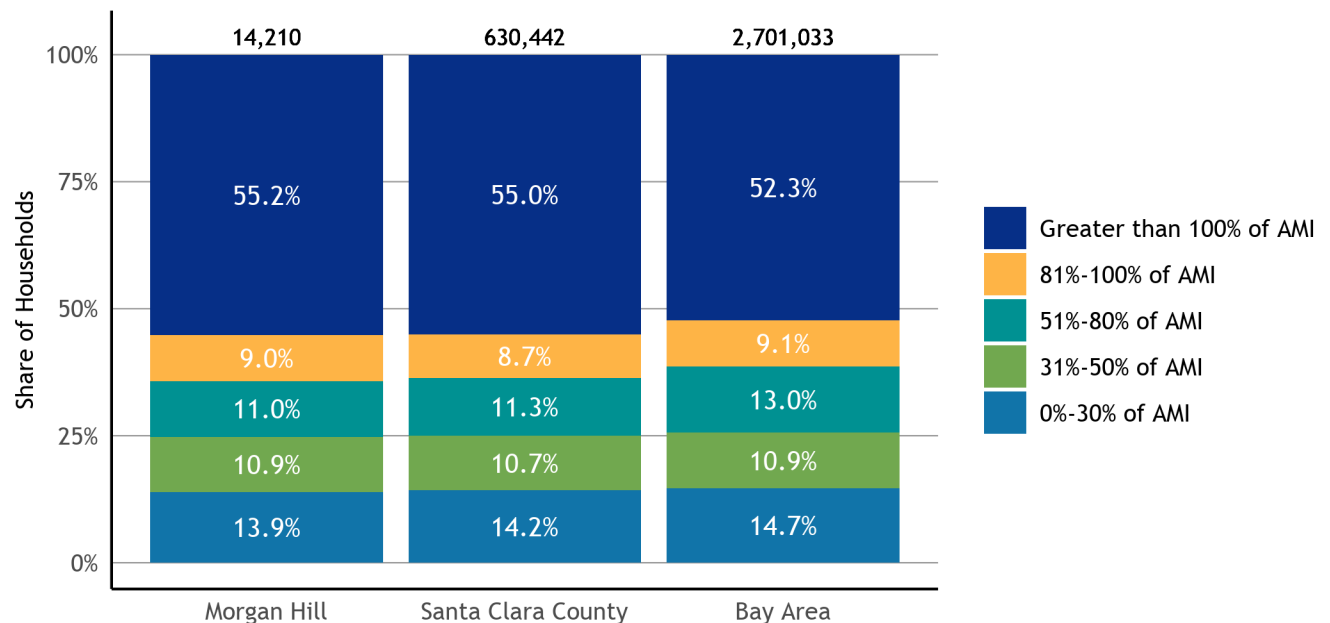
¹² Bohn, S. et al. 2020. Income Inequality and Economic Opportunity in California. *Public Policy Institute of California*.

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

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

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

Figure H 1-11: Households by Household Income Level



Universe: Occupied housing units

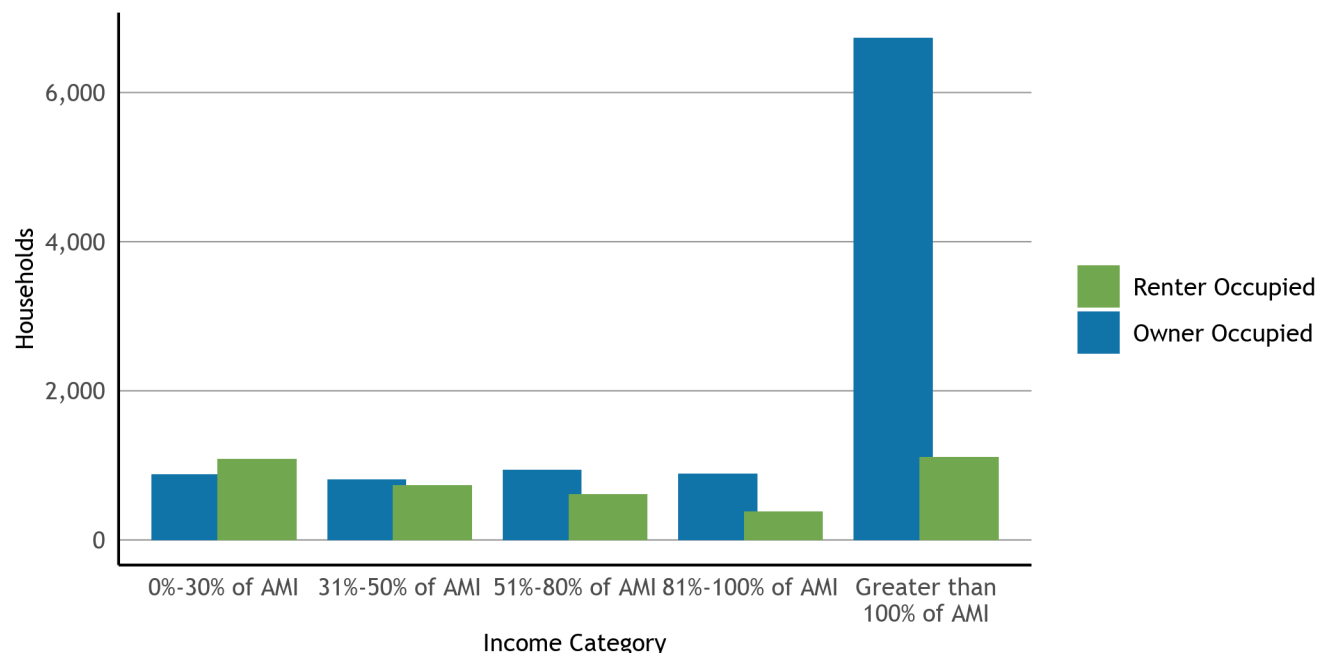
Notes: Income groups are based on HUD calculations for Area Median Income (AMI). HUD calculates the AMI for different metropolitan areas, and the nine county Bay Area includes the following metropolitan areas: Napa Metro Area (Napa County), Oakland-Fremont Metro Area (Alameda and Contra Costa Counties),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

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

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

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

Figure H 1-12: Household Income Level by Tenure



Universe: Occupied housing units

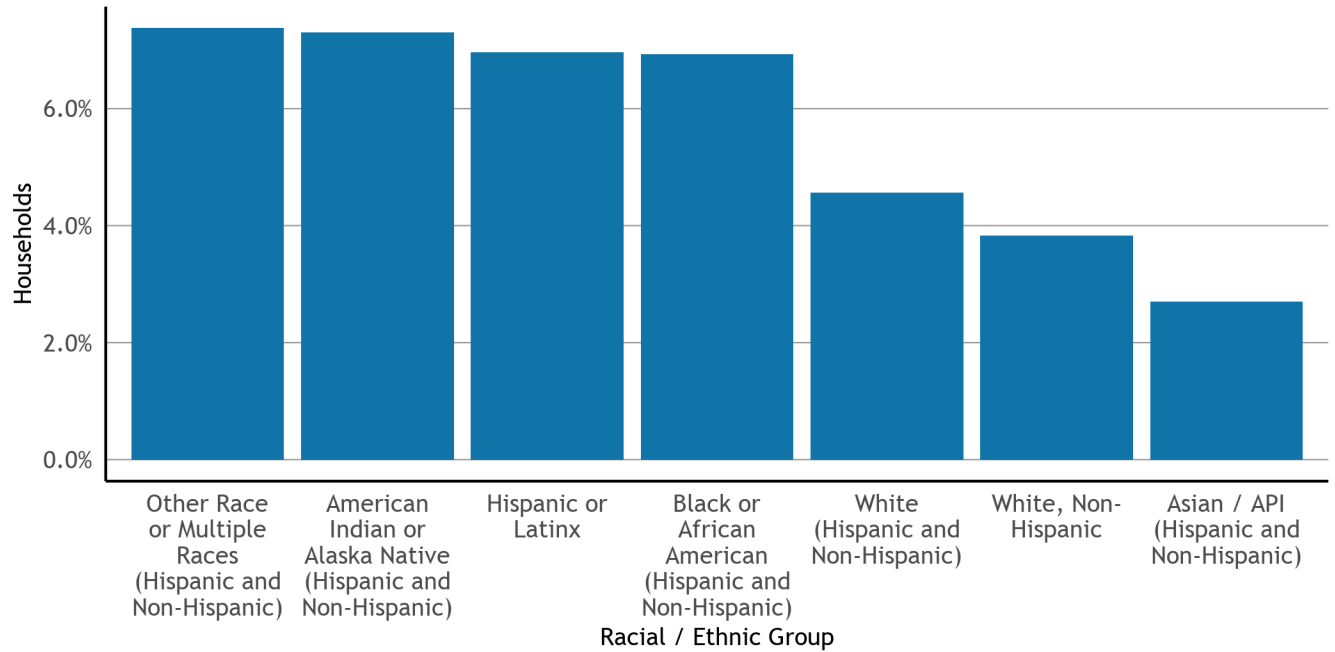
Notes: Income groups are based on HUD calculations for Area Median Income (AMI). HUD calculates the AMI for different metropolitan areas, and the nine county Bay Area includes the following metropolitan areas: Napa Metro Area (Napa County), Oakland-Fremont Metro Area (Alameda and Contra Costa Counties),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

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

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

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

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

Figure H 1-13: Poverty Status by Race

Universe: Population for whom poverty status is determined

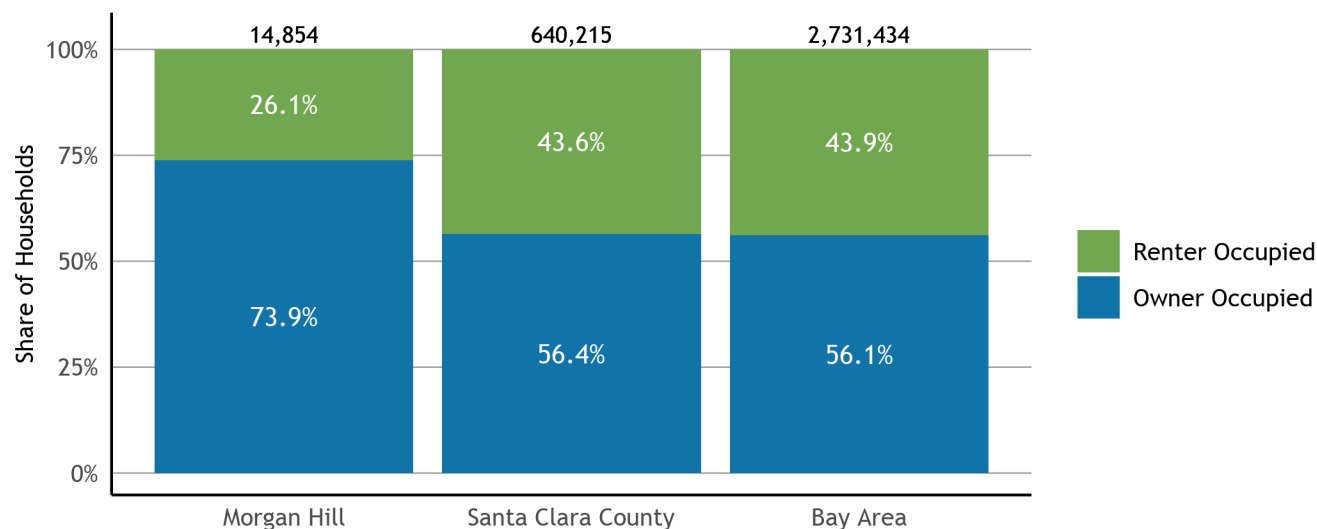
Notes: The Census Bureau uses a federally defined poverty threshold that remains constant throughout the country and does not correspond to Area Median Income. For this table, the Census Bureau does not disaggregate racial groups by Hispanic/Latinx ethnicity. However, data for the white racial group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

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

1.4.6 Tenure

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

Figure H 1-14: Housing Tenure

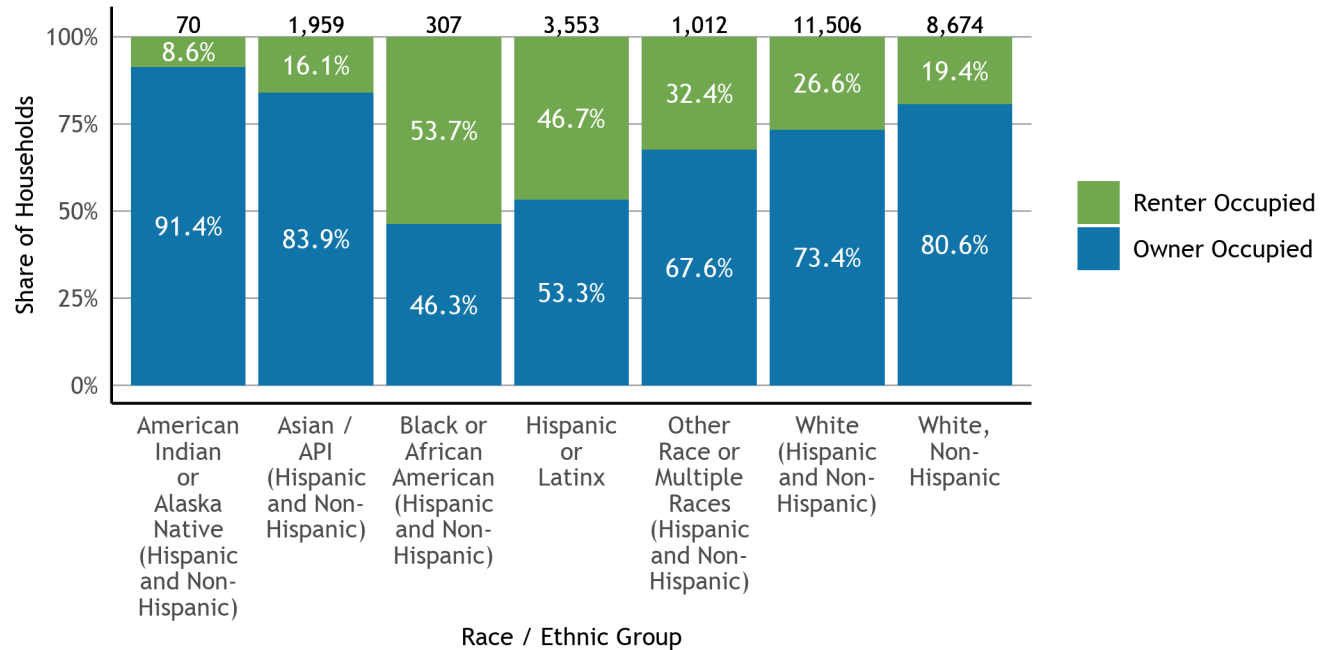


Universe: Occupied housing units

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

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

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

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

Universe: Occupied housing units

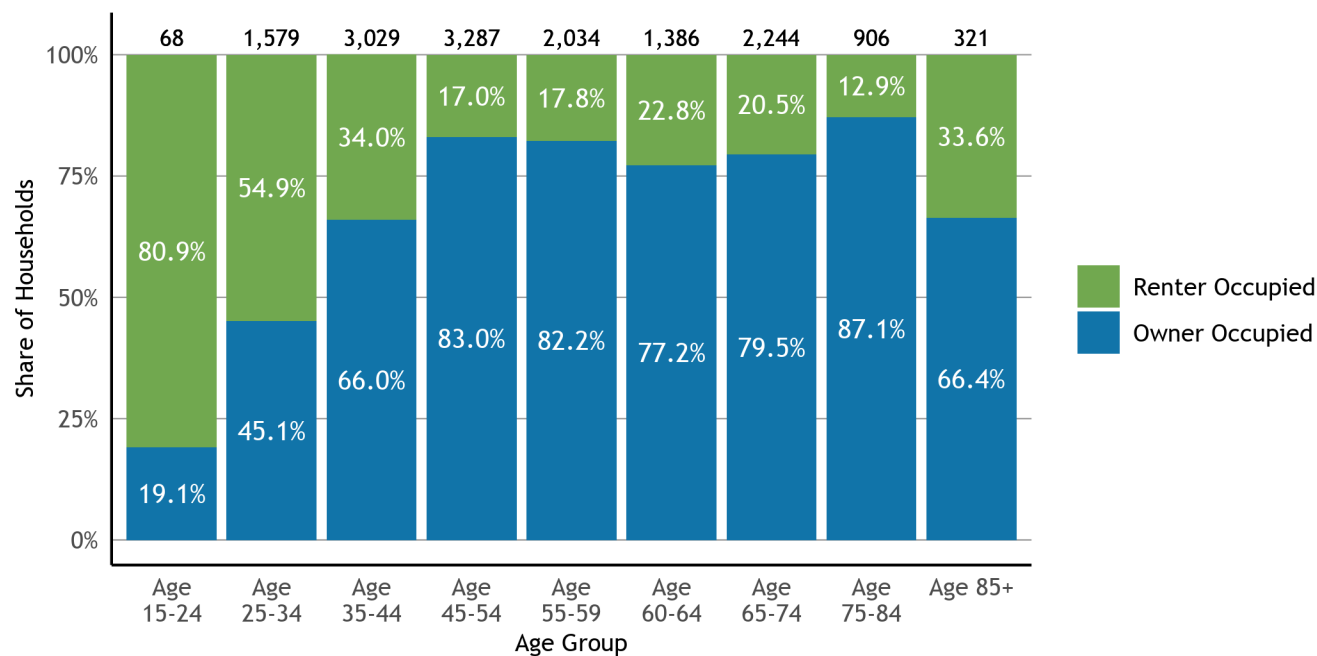
Notes: For this table, the Census Bureau does not disaggregate racial groups by Hispanic/Latinx ethnicity. However, data for the white racial group is also reported for white householders who are not Hispanic/Latinx. Since residents who identify as white and Hispanic/Latinx may have very different experiences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

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

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

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

Figure H 1-16: Housing Tenure by Age

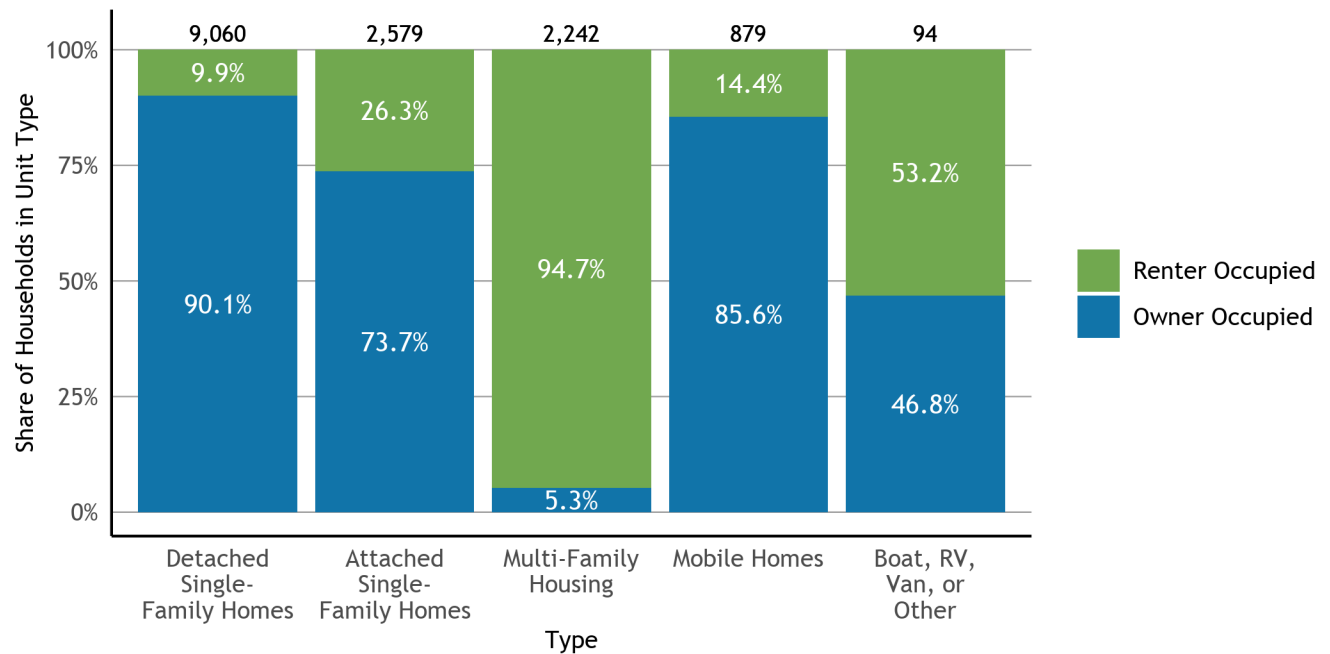


Universe: Occupied housing units

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

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

Figure H 1-17: Housing Tenure by Housing Type



Universe: Occupied housing units

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

1.4.7 Displacement

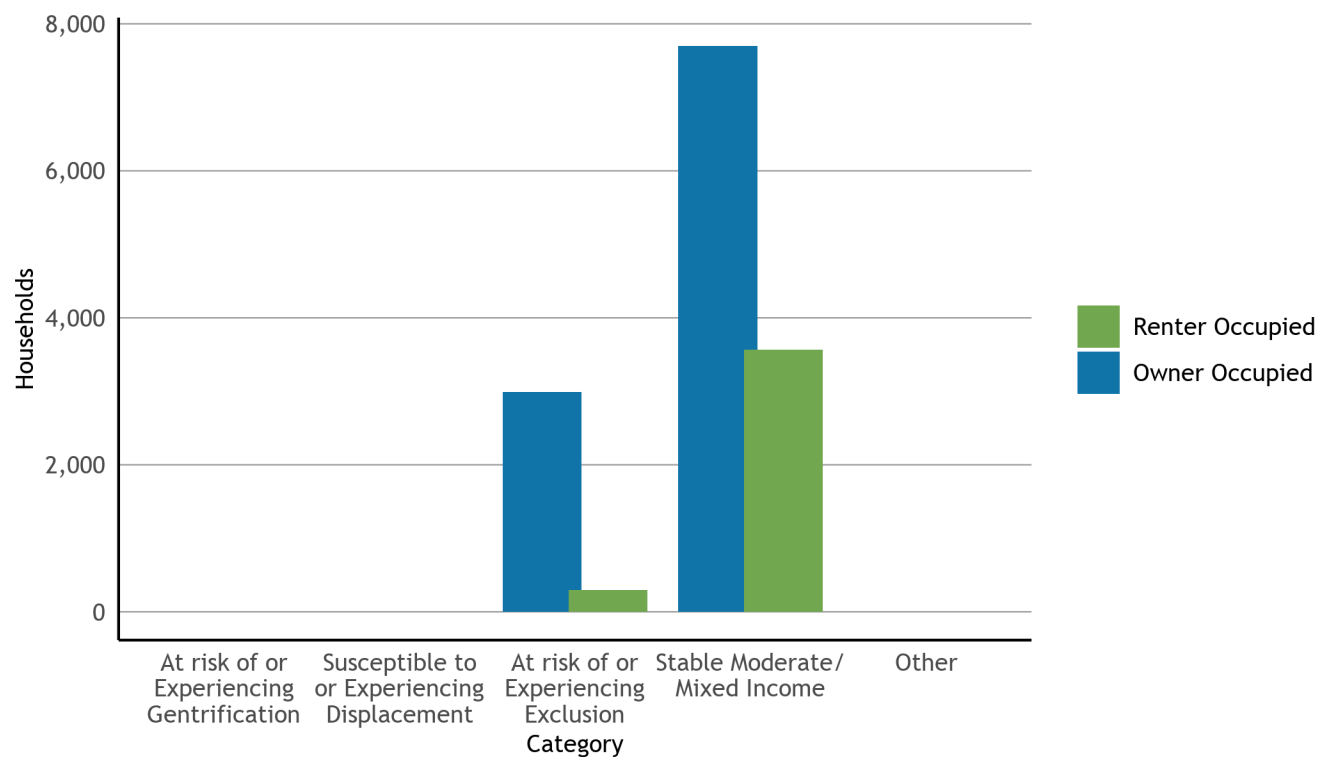
Because of increasing housing prices, displacement is a major concern in the Bay Area. Displacement has the most severe impacts on low- and moderate-income residents. When individuals or families are forced to leave their homes and communities, they also lose their support network.

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

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

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

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



Universe: Households

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

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

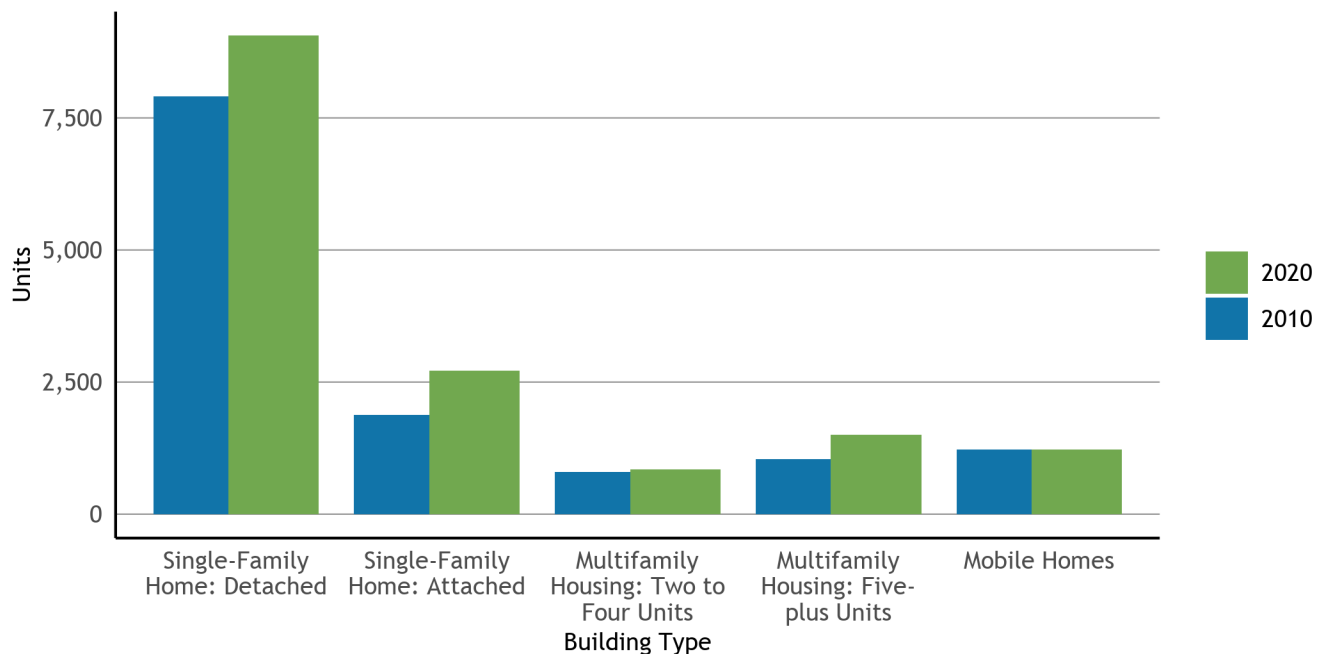
1.5 Housing Stock Characteristics

1.5.1 Housing Types, Year Built, Vacancy, and Permits

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

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

Figure H 1-19: Housing Type Trends

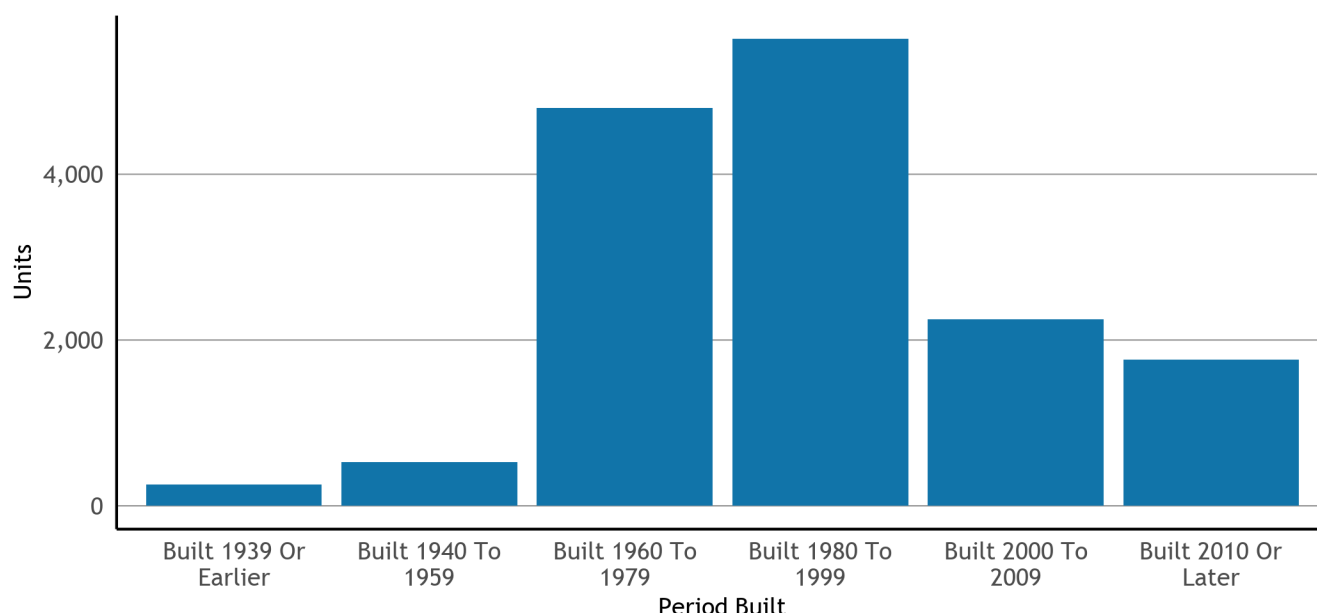


Universe: Housing units

Source: California Department of Finance, E-5 series

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

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



Universe: Housing units

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

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

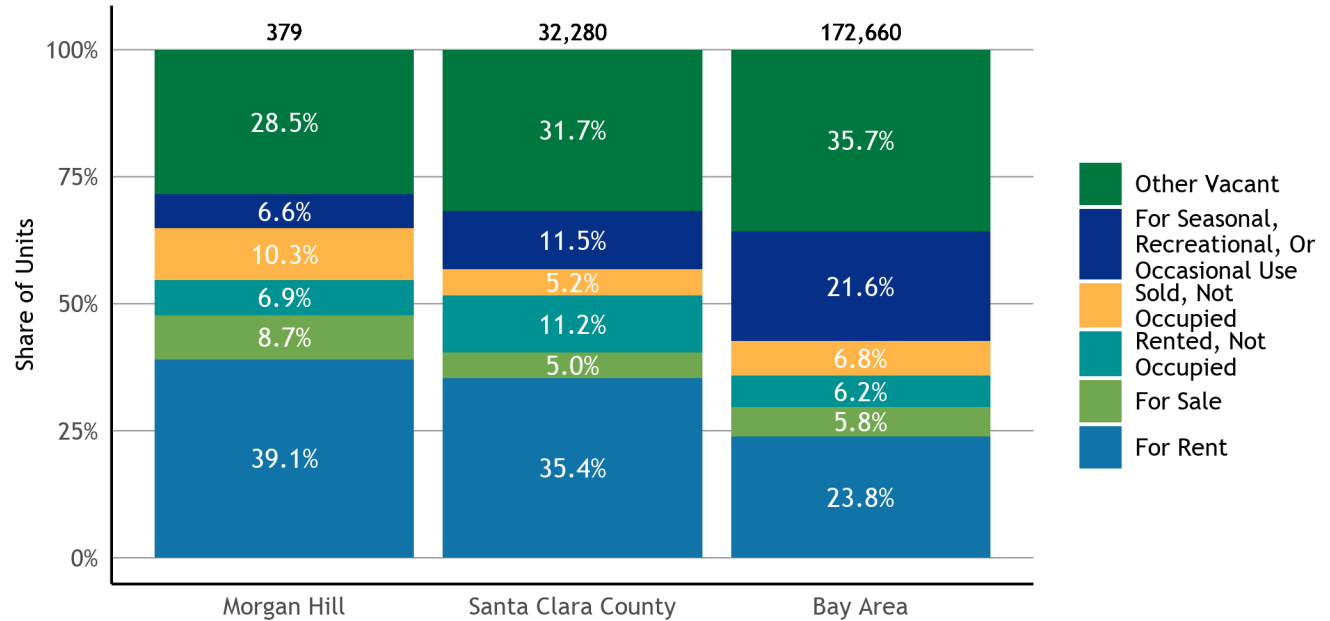
Throughout the Bay Area, vacancies make up 2.6% of the total housing units, with homes listed for rent; units used for *recreational or occasional use*, and units not otherwise classified (*other vacant*) making up the majority of vacancies. The Census Bureau classifies a unit as vacant if no one is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

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

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

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

Figure H 1-21: Vacant Units by Type



Universe: Vacant housing units

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

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

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

Universe: Housing permits issued between 2015 and 2019

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

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

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

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

1.5.2 Assisted Housing Developments At-Risk of Conversion

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

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

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

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

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

²⁰ California Housing Partnership uses the following categories for assisted housing developments in its database: Very-High Risk: affordable homes that are at-risk of converting to market rate within the next year that do not have a known overlapping subsidy that would extend affordability and are not owned by a large/stable non-profit, mission-driven developer.

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

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

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

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

Source: California Housing Partnership, Preservation Database (2020)

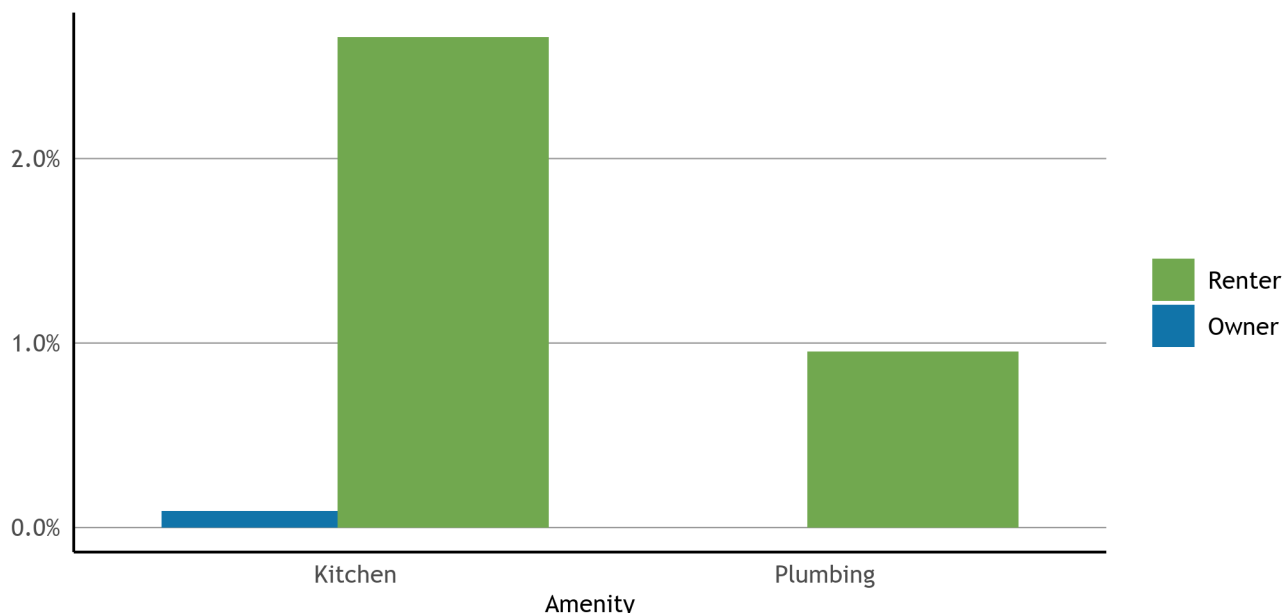
1.5.3 Substandard Housing

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

The City takes a proactive approach toward housing conditions through housing rehabilitation programs. The City has participated in the Urban Counties Consortium Community Development Block Grant (CDBG) funds to provide rehabilitation assistance. Over the last housing element period, from January 1, 2015 through January 1, 2020, 159 units were rehabilitated within the City of Morgan Hill.

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

Figure H 1-22: Substandard Housing Issues



Universe: Occupied housing units

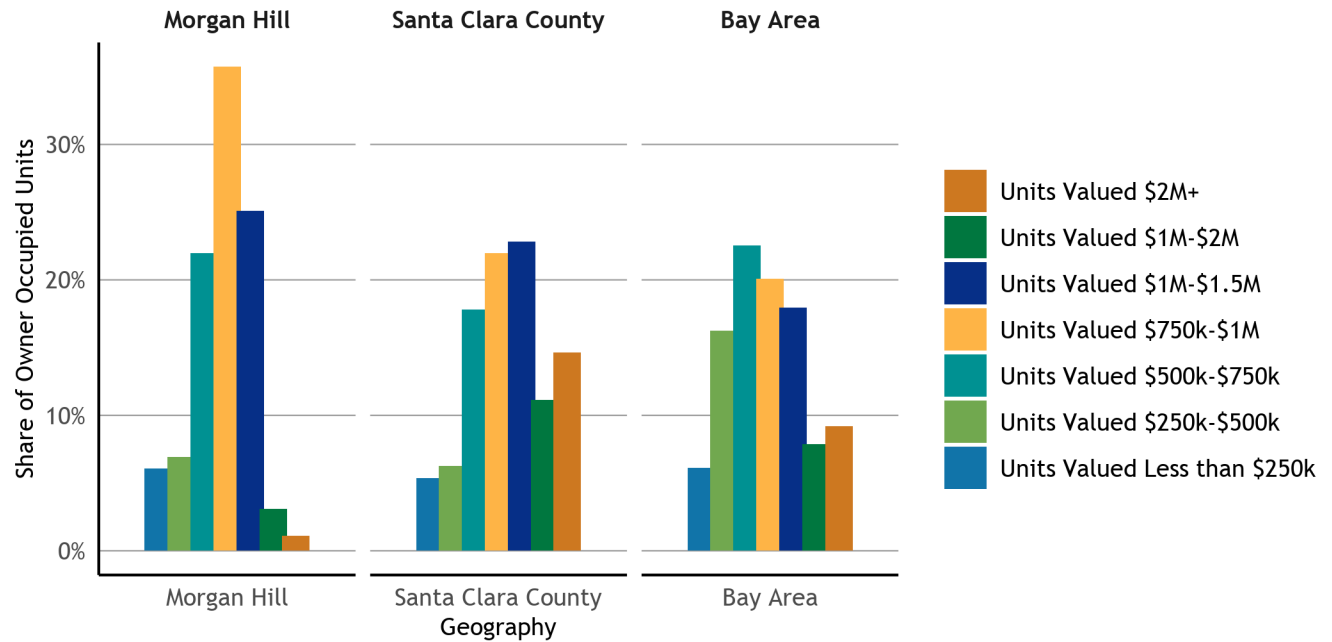
Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25053, Table B25043, Table B25049

1.5.4 Home and Rent Values

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

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

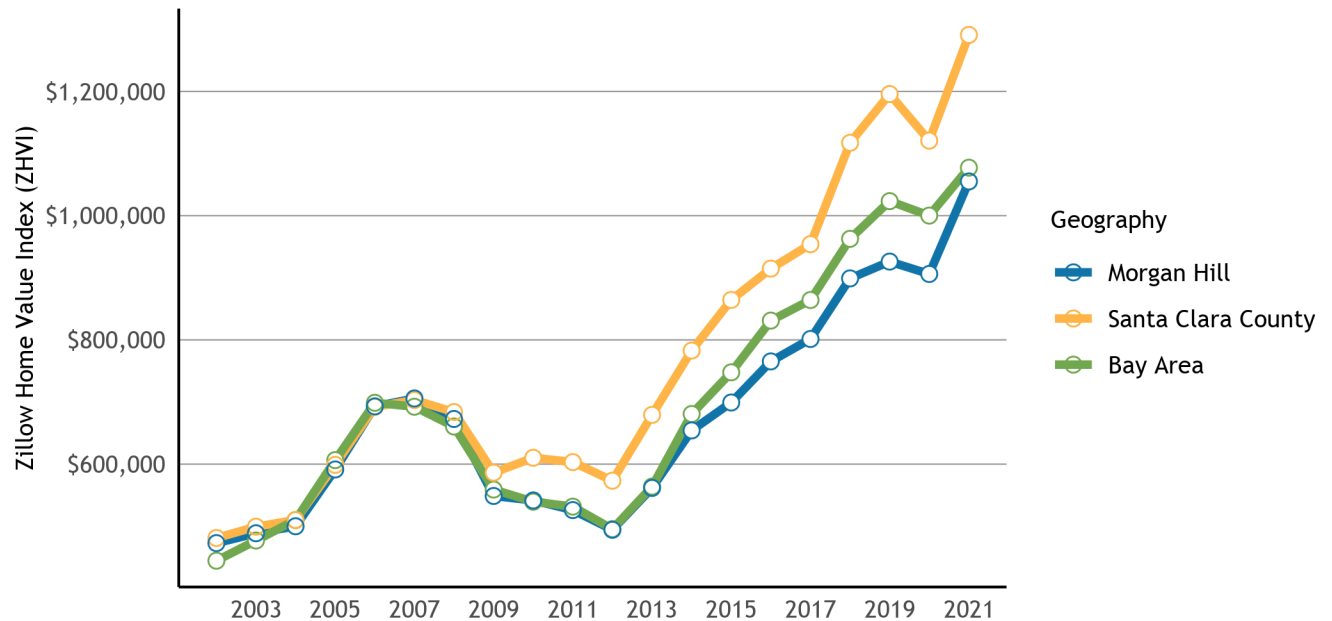
Figure H 1-23: Home Values of Owner-Occupied Units



Universe: Owner-occupied units

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

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



Universe: Owner-occupied housing units

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

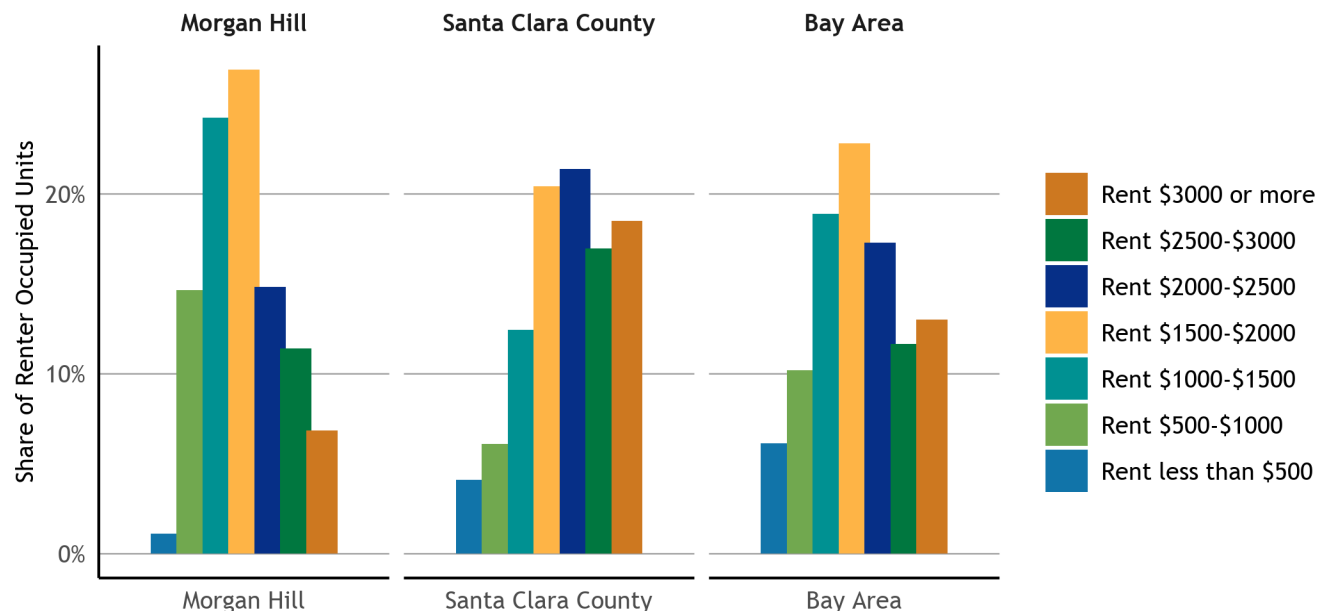
from Zillow. The regional estimate is a household-weighted average of county-level ZHVI files, where household counts are yearly estimates from DOF's E-5 series. For unincorporated areas, the value is a population weighted average of unincorporated communities in the county matched to census-designated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

Source: Zillow, Zillow Home Value Index (ZHVI)

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

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

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

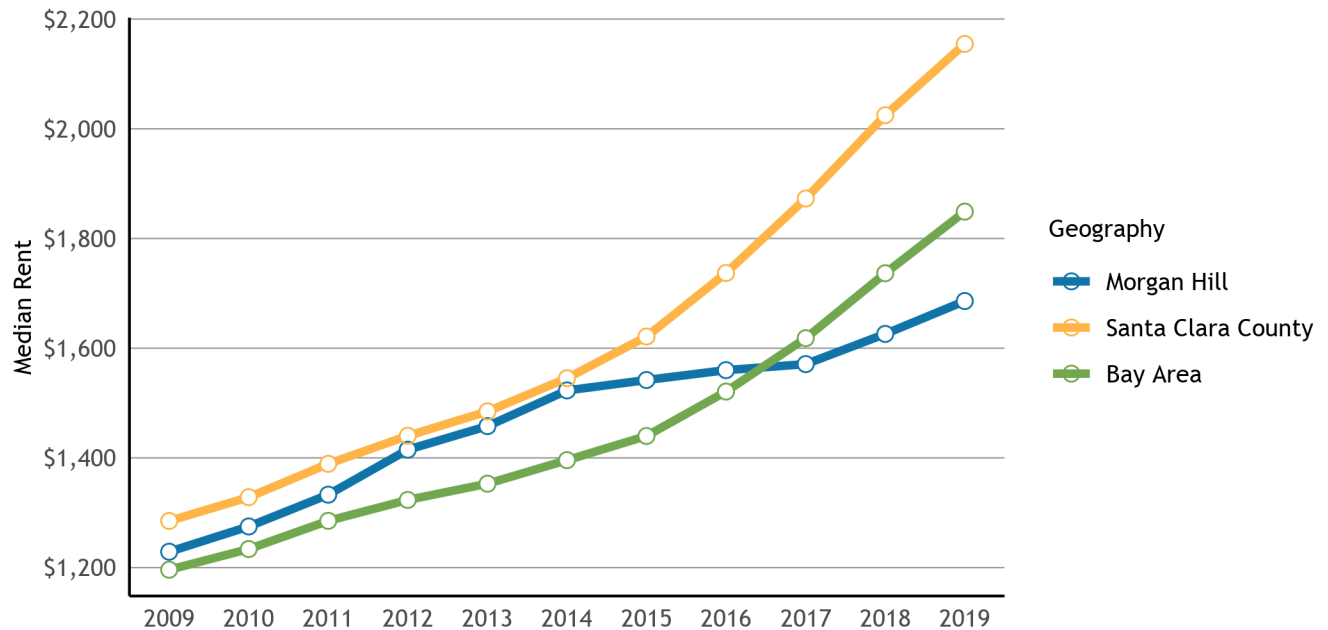


Universe: Renter-occupied housing units paying cash rent

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

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

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

Figure H 1-26: Median Contract Rent

Universe: Renter-occupied housing units paying cash rent

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

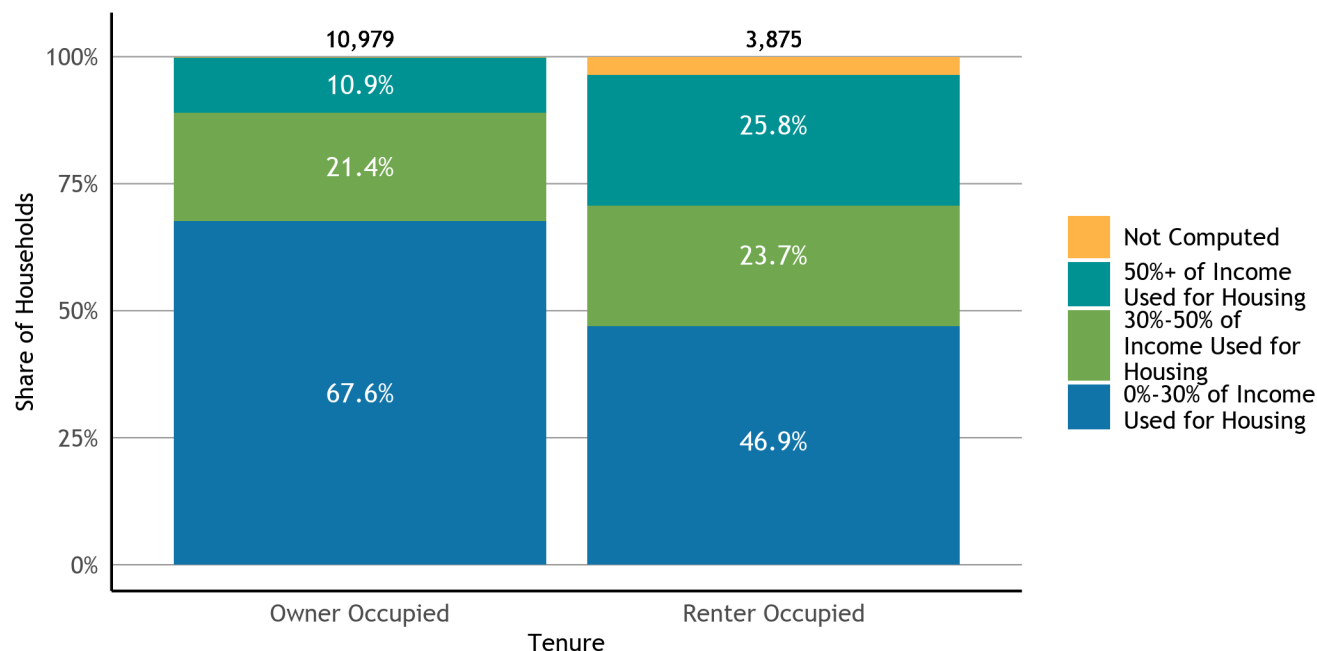
Source: U.S. Census Bureau, American Community Survey 5-Year Data releases, starting with 2005-2009 through 2015-2019, B25058, B25056 (for unincorporated areas). County and regional counts are weighted averages of jurisdiction median using B25003 rental unit counts from the relevant year.

1.5.5 Overpayment and Overcrowding

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

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

Figure H 1-27: Cost Burden by Tenure



Universe: Occupied housing units

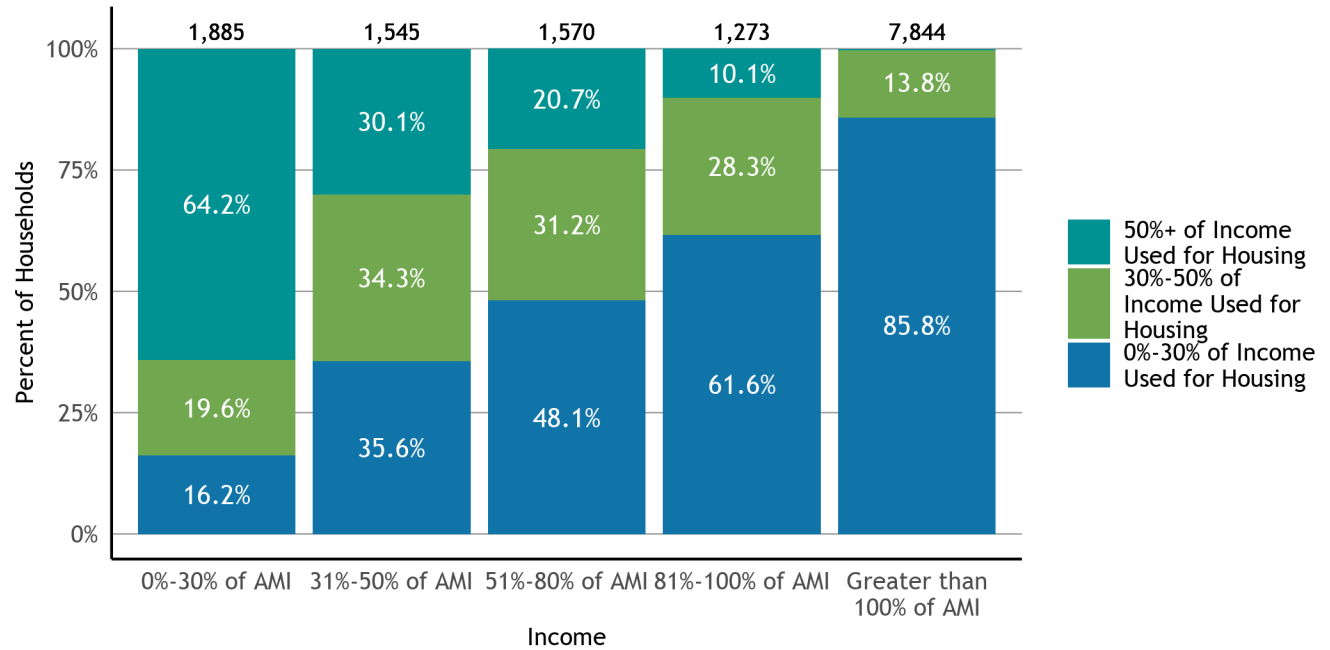
Notes: Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs", which includes mortgage payment, utilities, association fees, insurance, and real estate taxes. HUD defines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

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

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

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

Figure H 1-28: Cost Burden by Income Level



Universe: Occupied housing units

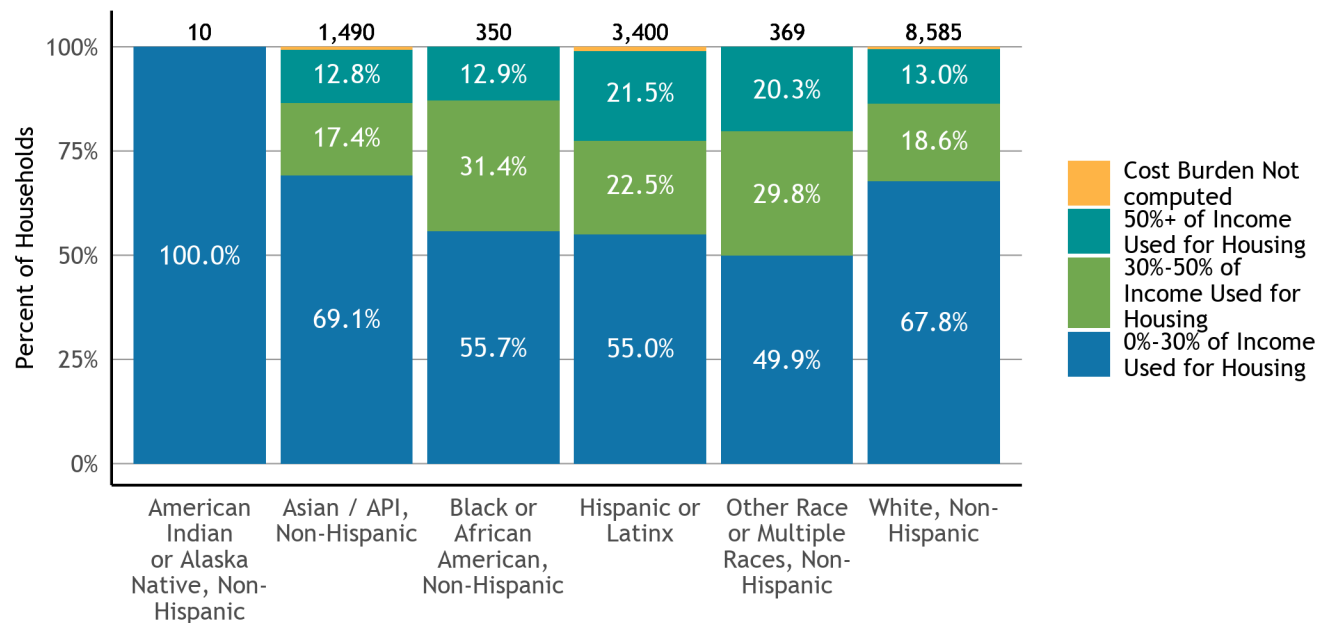
Notes: Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs", which includes mortgage payment, utilities, association fees, insurance, and real estate taxes. HUD defines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

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

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

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

Figure H 1-29: Cost Burden by Race



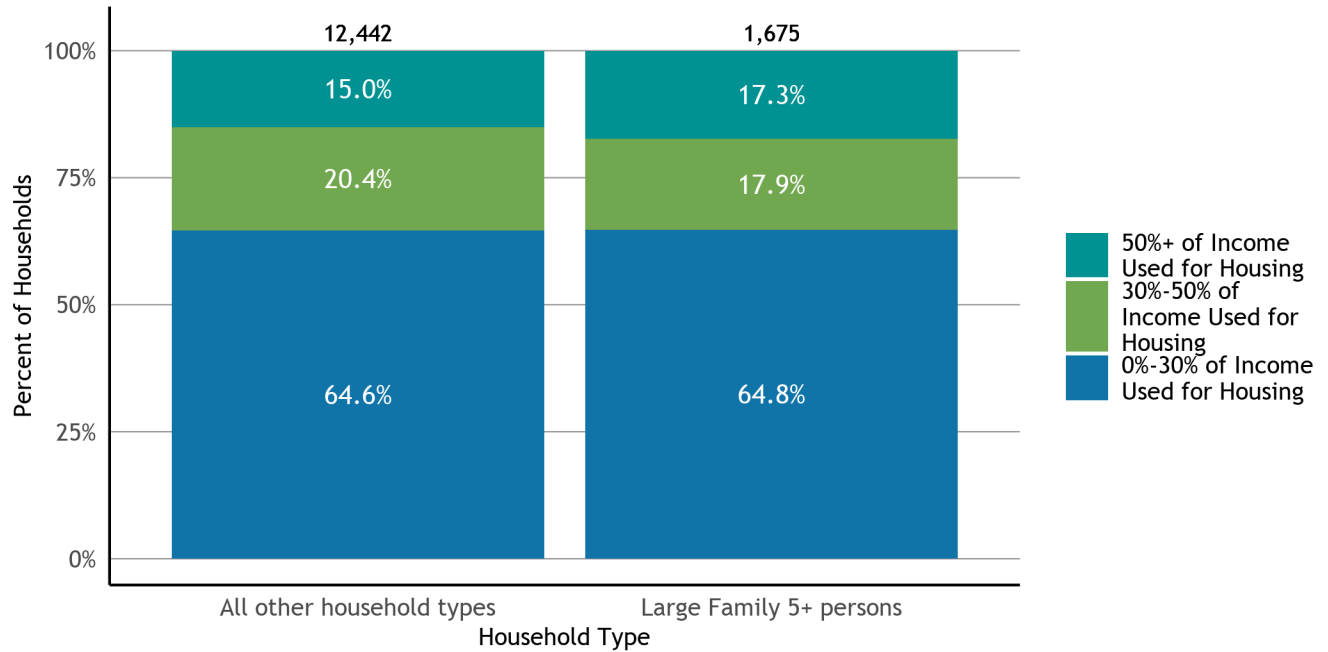
Universe: Occupied housing units

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

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

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

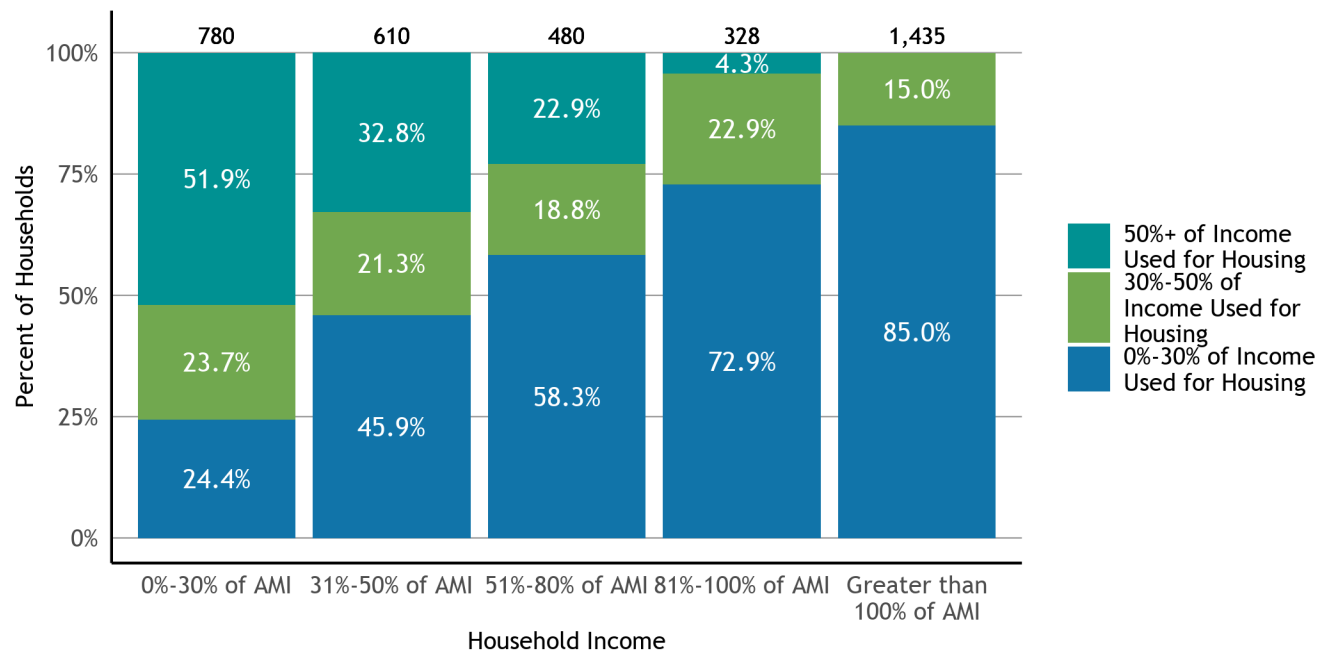
In Morgan Hill, 17.9% of large family households experience a cost burden of 30%-50%, while 17.3% of households spend more than half of their income on housing. Some 20.4% of all other households have a cost burden of 30%-50%, with 15.0% of households spending more than 50% of their income on housing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

Figure H 1-30: Cost Burden by Household Size

Universe: Occupied housing units

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

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

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

Universe: Senior households

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

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

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

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

Figure H 1-32: Overcrowding by Tenure and Severity

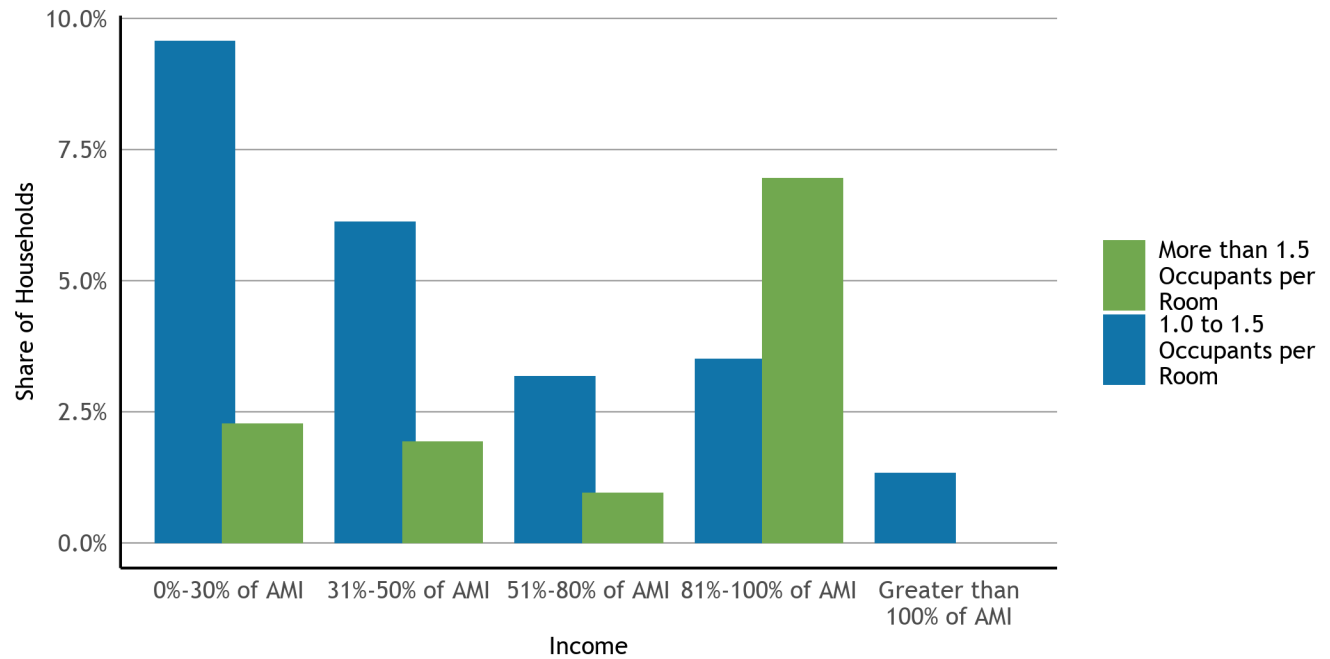
Universe: Occupied housing units

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

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

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

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

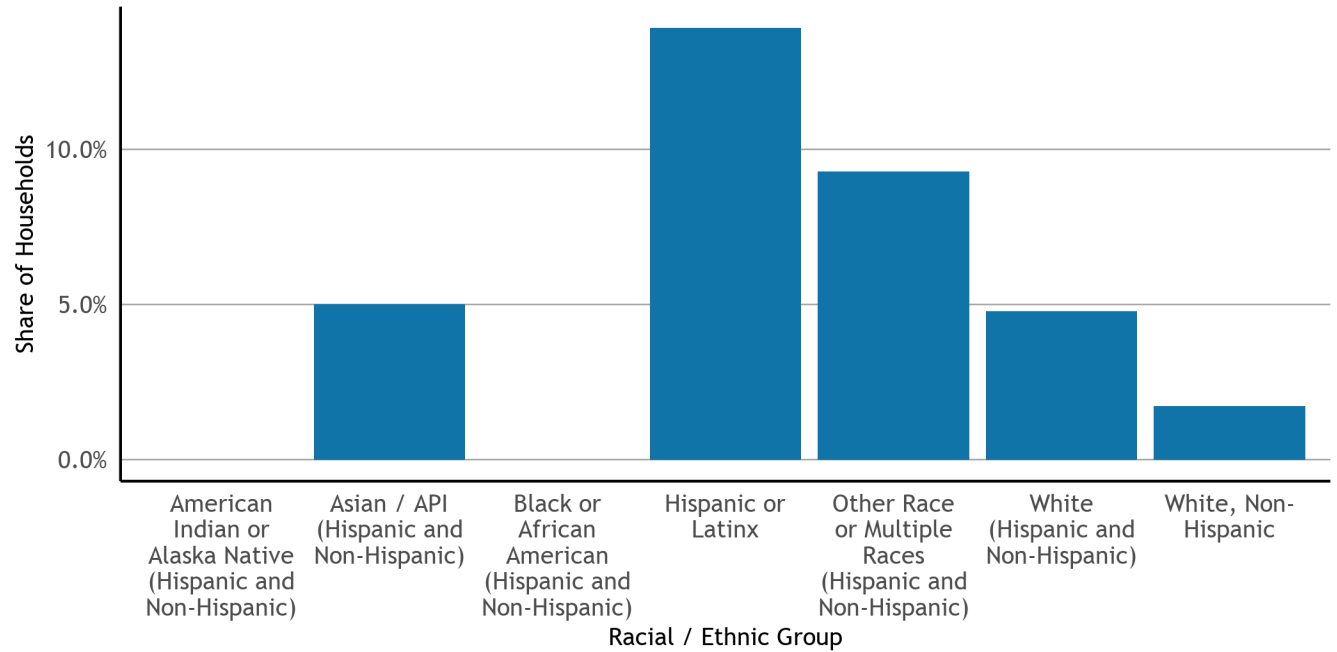


Universe: Occupied housing units

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

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

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

Figure H 1-34: Overcrowding by Race

Universe: Occupied housing units

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

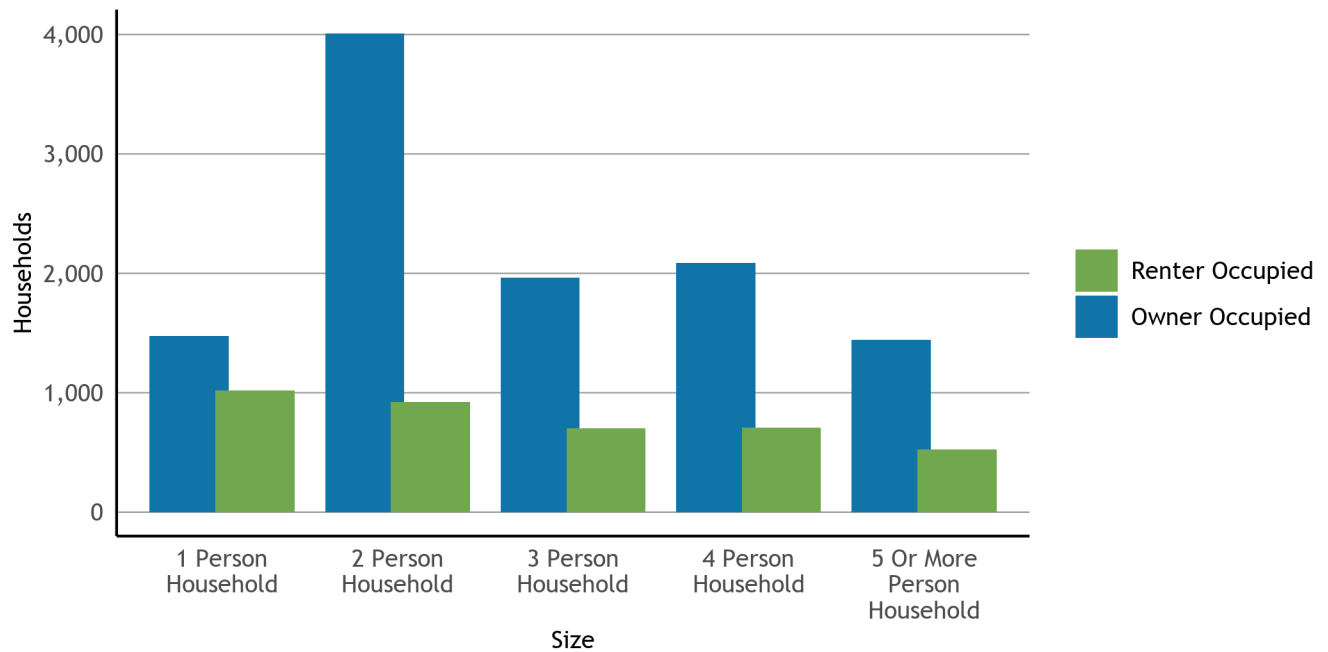
Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25014

1.6 Special Housing Needs

1.6.1 Large Households

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

Figure H 1-35: Household Size by Tenure

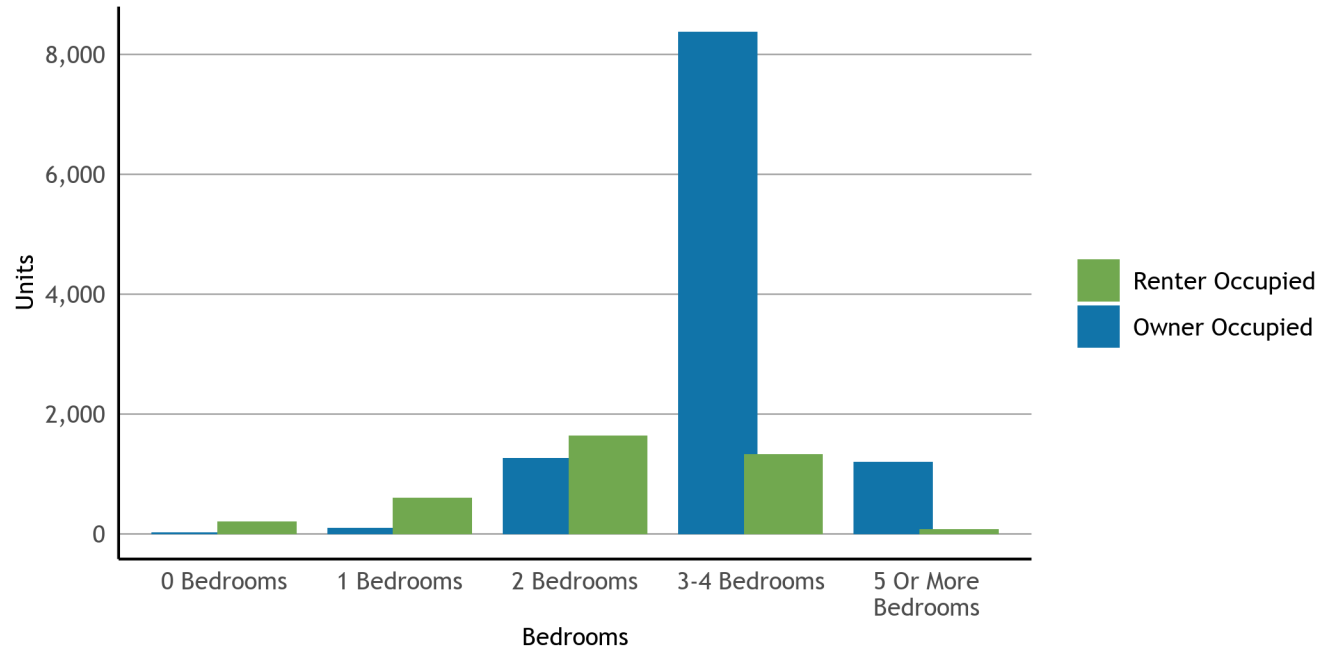


Universe: Occupied housing units

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

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

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



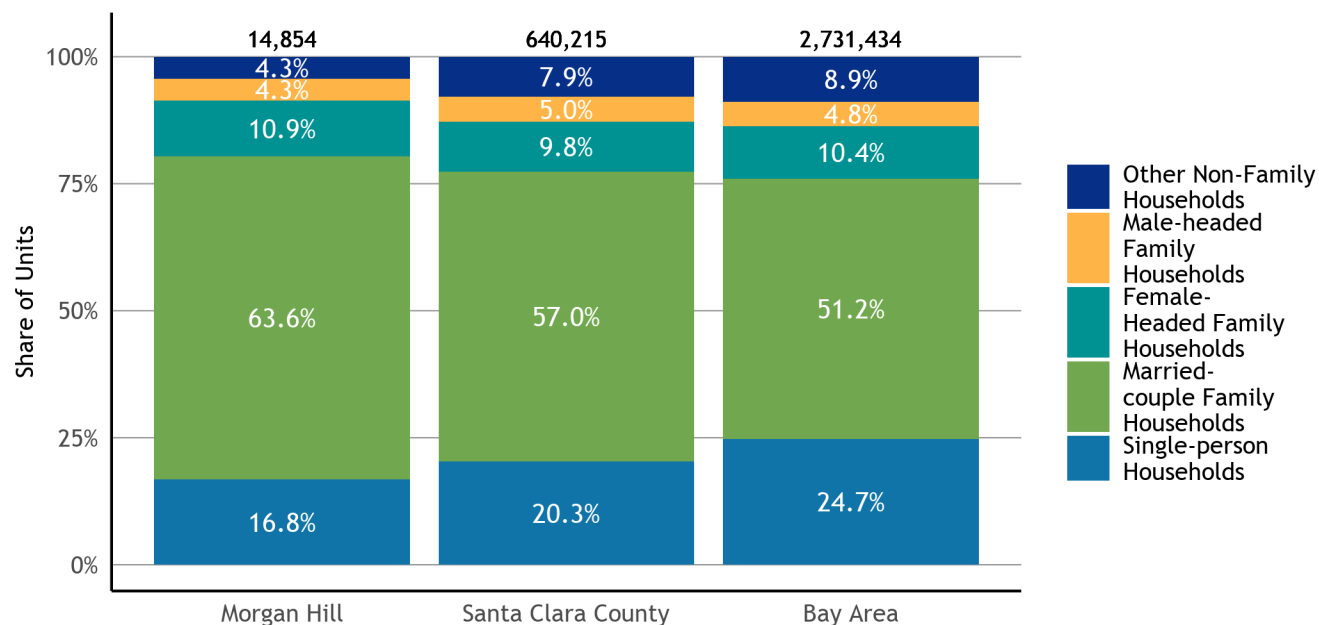
Universe: Housing units

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

1.6.2 Female-Headed Households

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

Figure H 1-37: Household Type



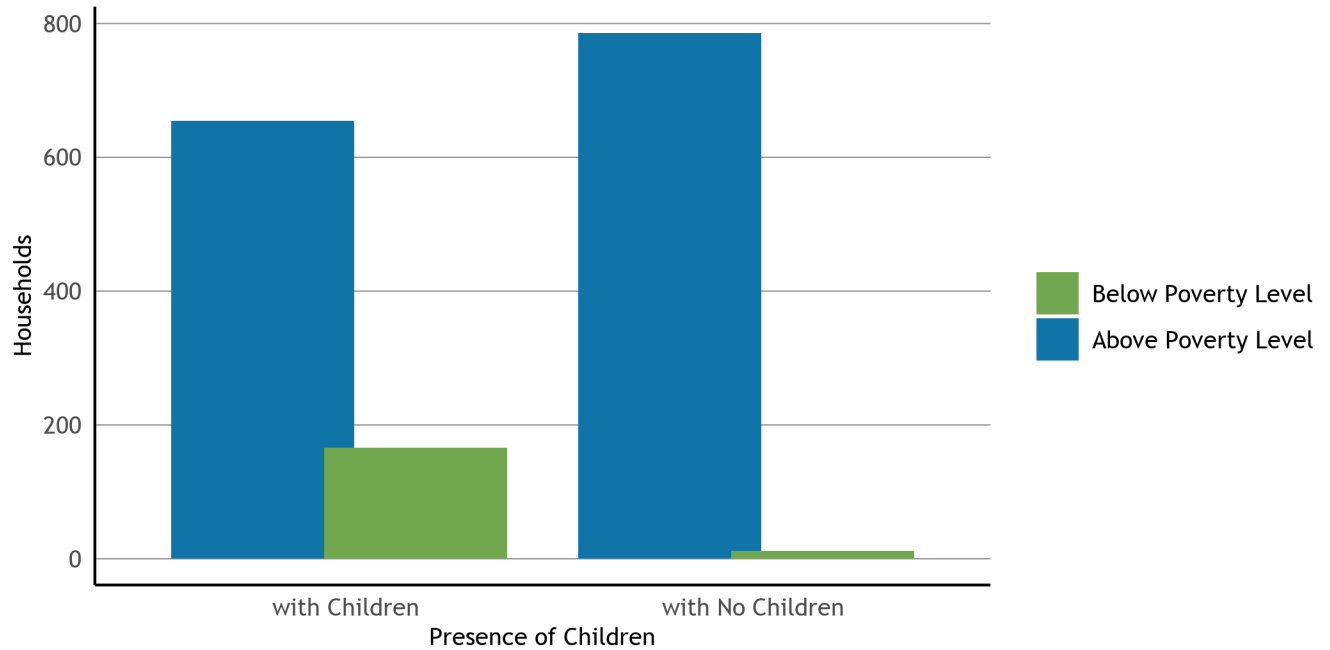
Universe: Households

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

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

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

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

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

Universe: Female Households

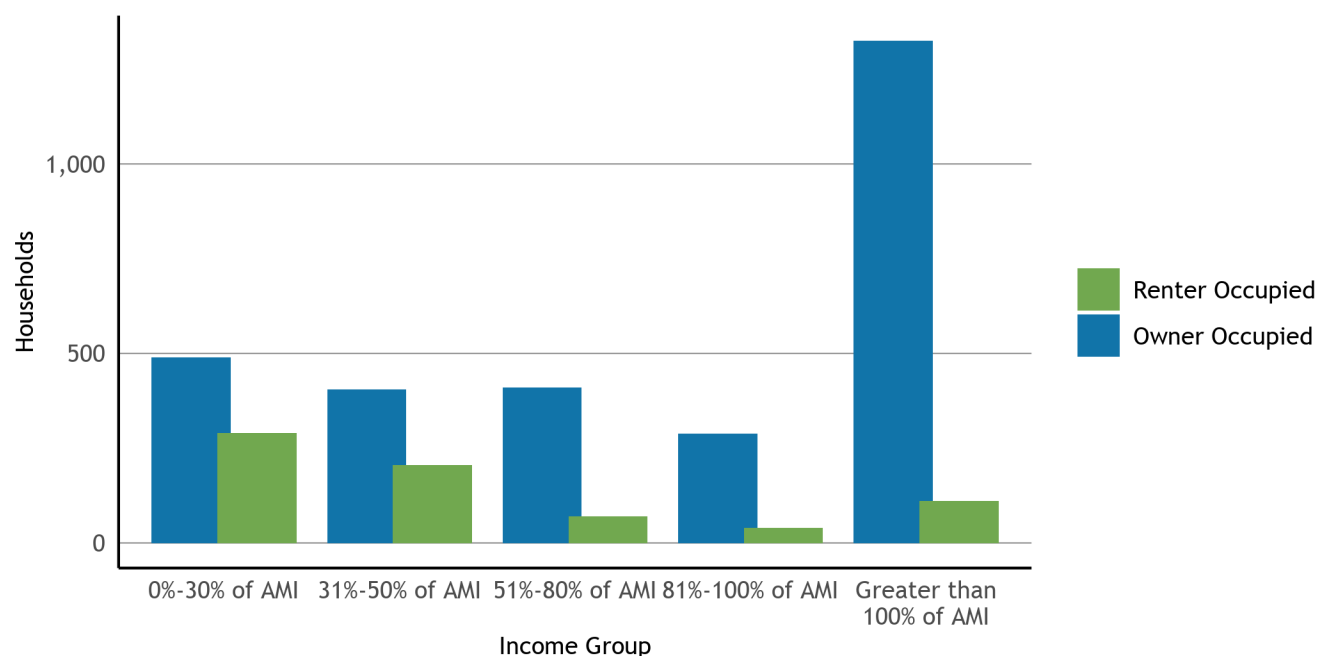
Notes: The Census Bureau uses a federally defined poverty threshold that remains constant throughout the country and does not correspond to Area Median Income.

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

1.6.3 Seniors

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

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

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

Universe: Senior households

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

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

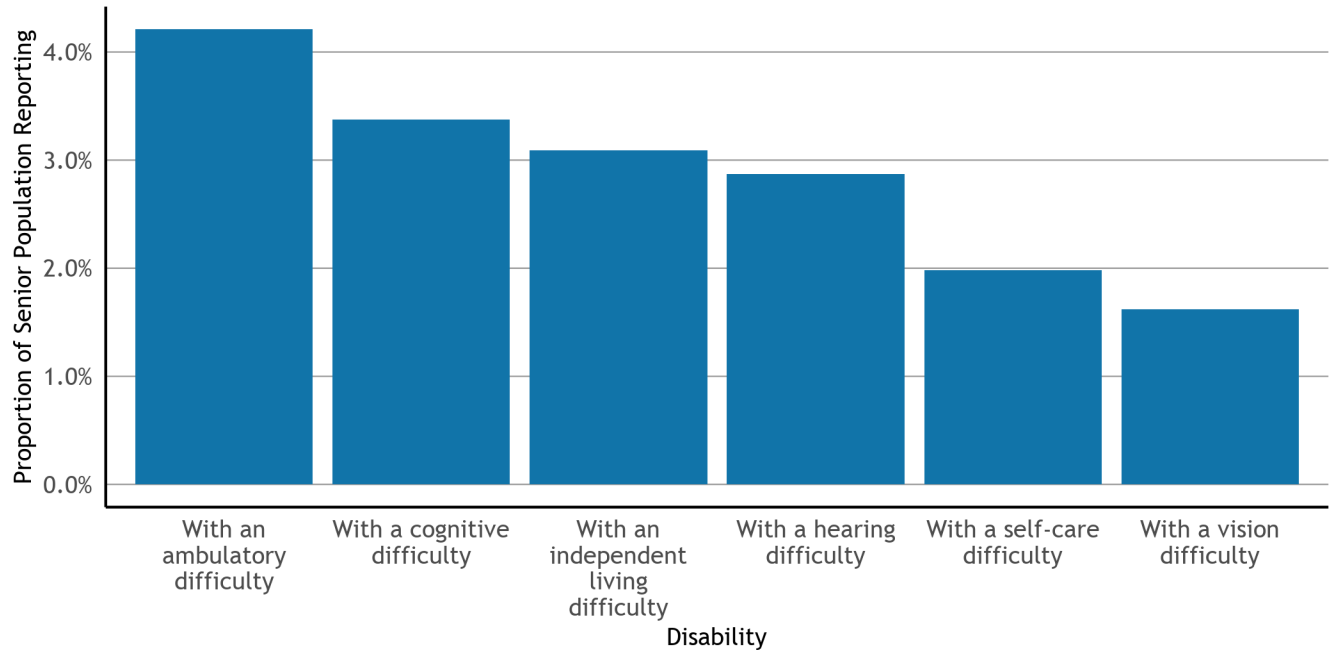
1.6.4 People with Disabilities

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

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

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

Figure H 1-40: Disability by Type



Universe: Civilian noninstitutionalized population 18 years and over

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

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

State law also requires Housing Elements to examine the housing needs of people with developmental disabilities. ~~Developmental disabilities are defined as severe, chronic, and attributed to a mental or physical impairment that~~ disability means a disability that originates begins before an person individual attains turns 18 years old of age; continues, or can be expected to continue, indefinitely; and constitutes a substantial disability for that individual. ~~This can~~ Developmental disability includes intellectual disability-Down's Syndrome, autism, epilepsy, cerebral palsy, and mild to severe mental retardation related conditions. Developmental disabilities do not include handicapping conditions that are solely physical in nature. Some people with developmental disabilities are unable to work, rely on Supplemental Security Income, and live with family members. In addition to their specific housing needs, they are at increased risk of housing insecurity after an aging parent or family member is no longer able to care for them.

In Morgan Hill, of the population with a developmental disability, children under the age of 18 make up ~~39.83~~ 31.3%, while adults account for ~~60.26~~ 68.7%.

Table H 1-5 Population with Developmental Disabilities by Age

Age Group	Value
-----------	-------

Age 18+	474222
Age Under 18	443101

Universe: Population with developmental disabilities

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

Source: California Department of Developmental Services San Andreas Regional Center, November 2021 data provided via direct communication (April 15, 2022); Consumer Count by California ZIP Code and Age Group (2020)

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

Table H 1-6 <u>Adult</u> Population with Developmental Disabilities by Residence	
Residence Type	Value
Home of <u>Parent/Family/Guardian</u>	235158
<u>Community Care Licensed</u> Facility	3043
<u>Independent/Supported Living Own Apartment with Supportive Services</u>	4621
Other	40
<u>Foster/Family Home</u>	0
<u>Intermediate Care Facility</u>	0

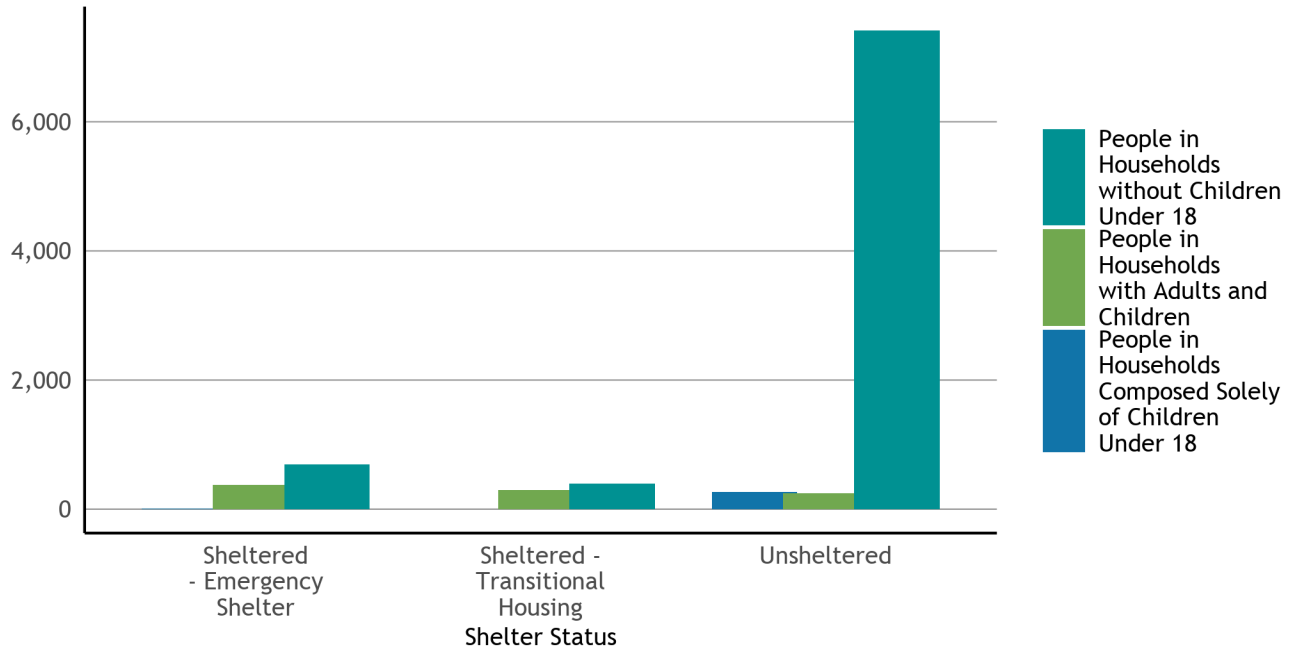
Universe: Population with developmental disabilities

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

Source: San Andreas Regional Center, November 2021 data provided via direct communication (April 15, 2022); California Department of Developmental Services, Consumer Count by California ZIP Code and Residence Type (2020)

1.6.5 Homelessness

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

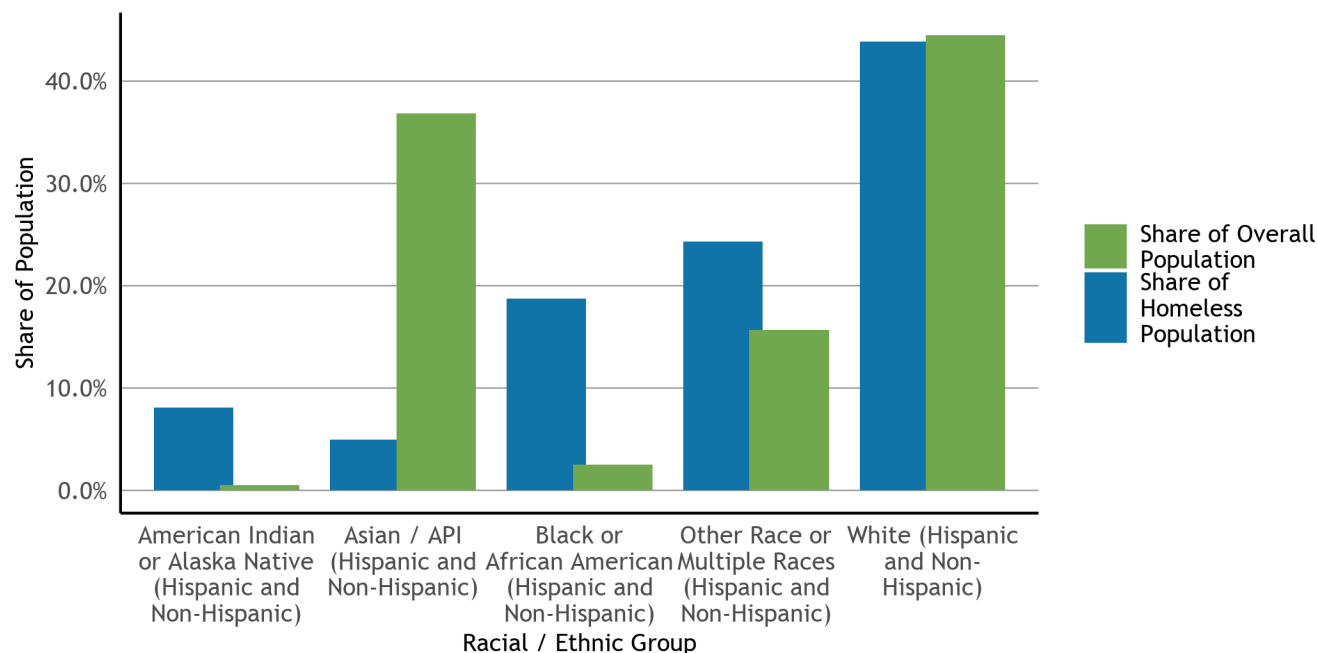
Figure H 1-41: Homelessness by Household Type and Shelter Status, Santa Clara County

Universe: Population experiencing homelessness

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

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

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

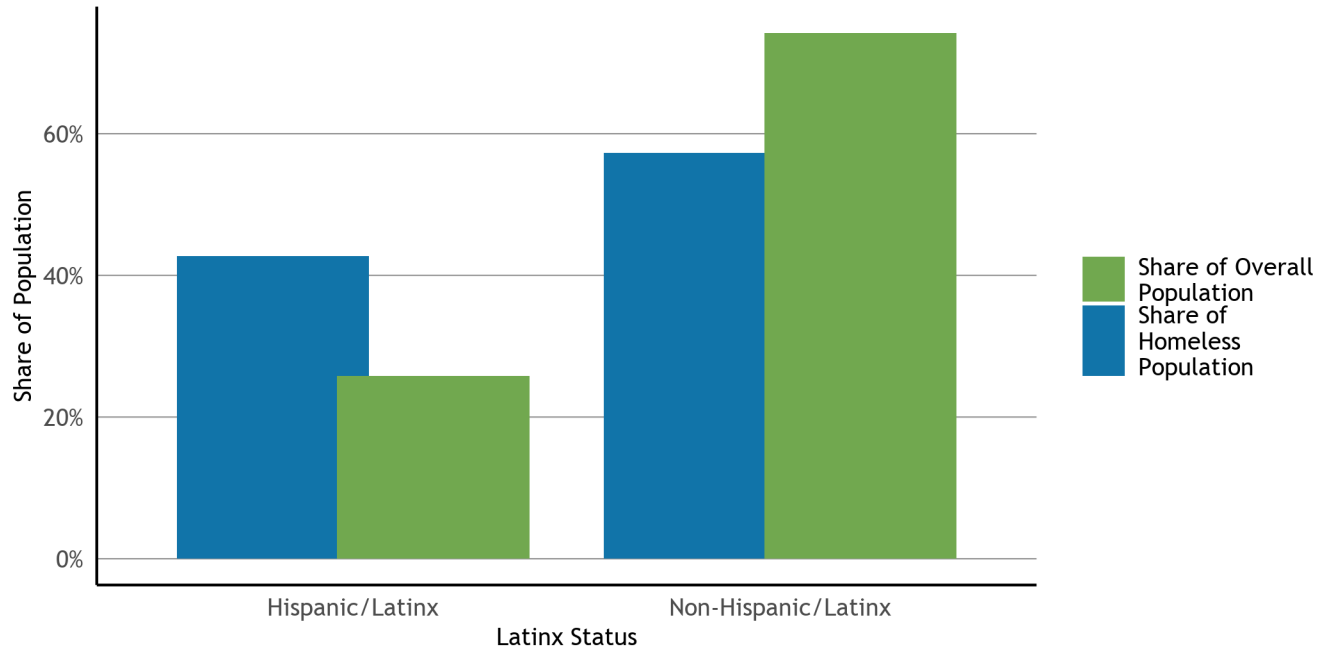
Figure H 1-42: Racial Group Share of General and Homeless Populations, Santa Clara County

Universe: Population experiencing homelessness

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

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

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

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

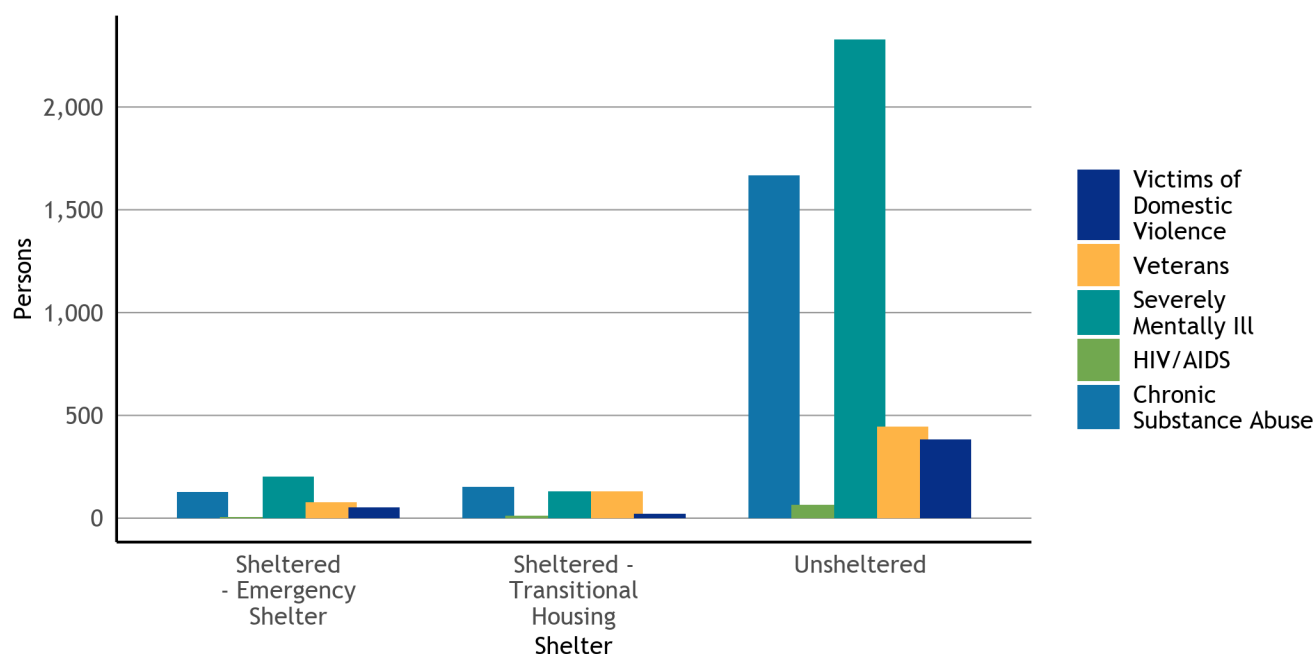
Universe: Population experiencing homelessness

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

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

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

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

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

Universe: Population experiencing homelessness

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

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

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

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

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

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

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

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

1.6.6 Farmworkers

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

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

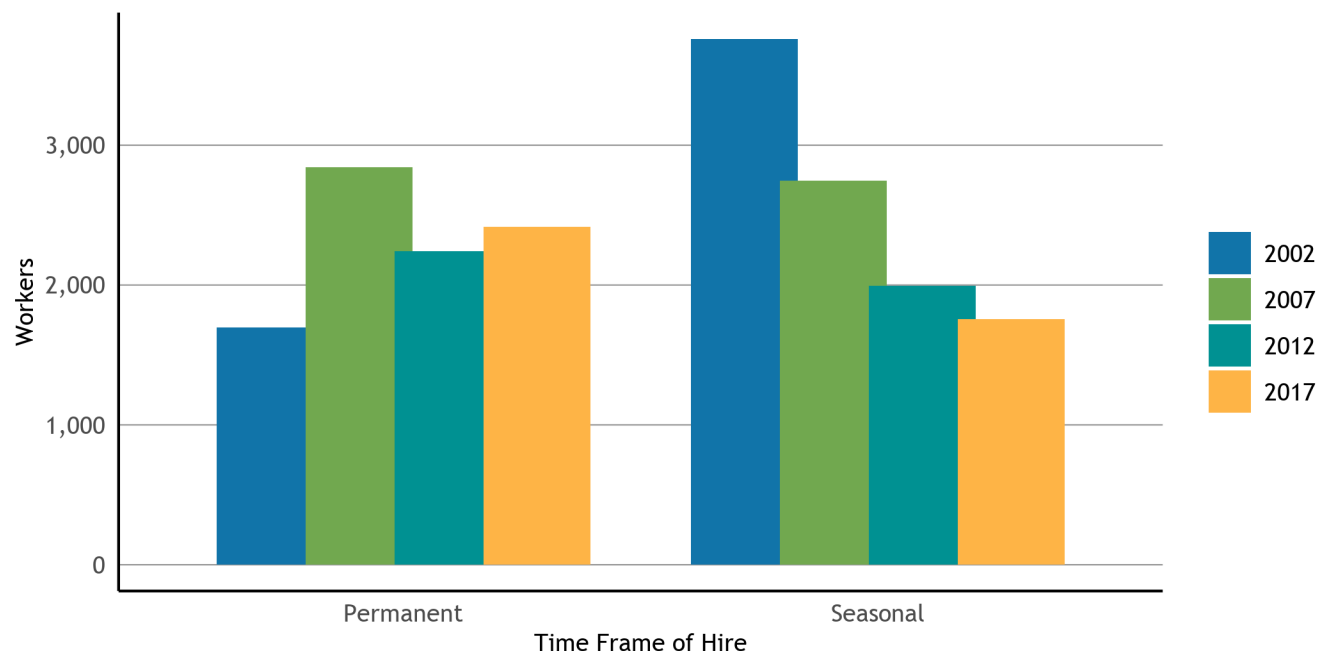
Table H 1-9 Migrant Worker Student Population			
Academic Year	Morgan Hill	Santa Clara County	Bay Area
2016-17	149	978	4,630
2017-18	151	732	4,607
2018-19	120	645	4,075
2019-20	97	492	3,976

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

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

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

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

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

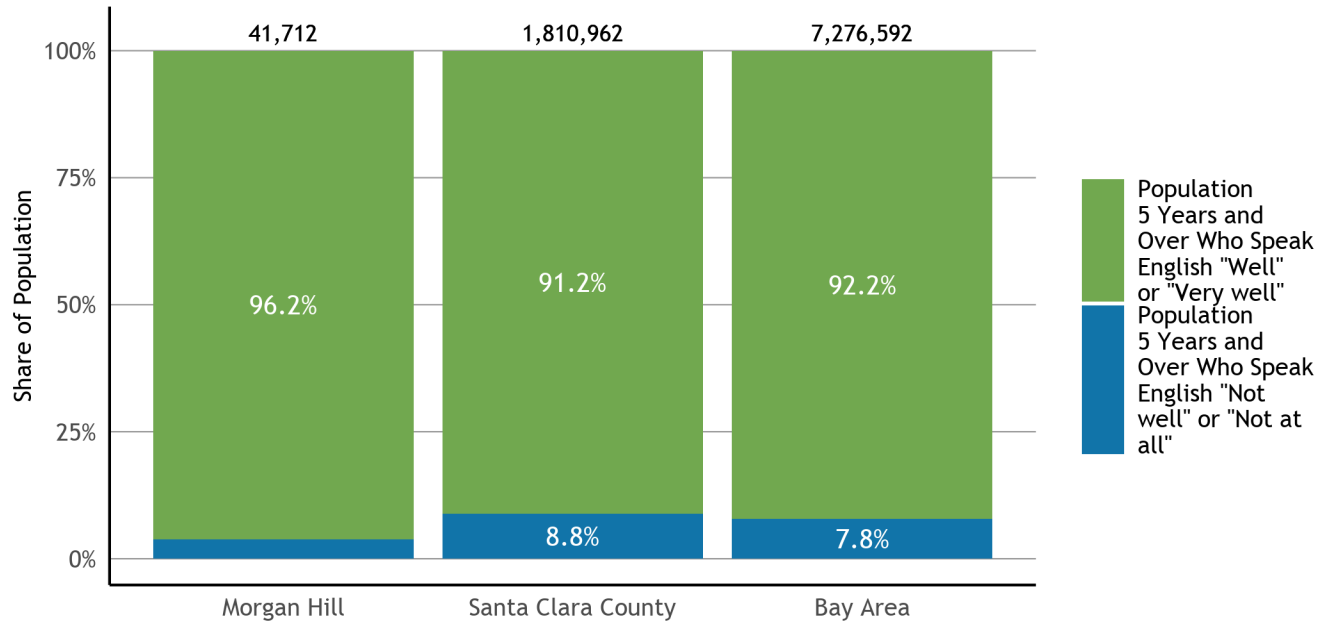
Universe: Hired farm workers (including direct hires and agricultural service workers who are often hired through labor contractors)

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

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

1.6.7 Non-English Speakers

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

Figure H 1-46: Population with Limited English Proficiency

Universe: Population 5 years and over

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

1.7 Summary

Although data in this appendix is derived from a variety of sources (the most prominent data source used is the U.S. Census data, in varying forms), and compiled to show relationships, major trends, and to respond to known issues and concerns, as well as to inform the Housing Element as well as the community of the trends of Morgan Hill, the data is consistent with local knowledge gathered through the City's outreach process. City staff used a variety of methods to solicit public input on the Housing Element update, including distributing three survey's (two pertaining to Assessment of Fair Housing (AFH)), hosting public workshops, providing information at community events, conducting focus groups, giving presentations to the Community, and holding several workshops with the community and the Planning Commission. Staff prioritized involvement and engagement of residents and community members that are most directly impacted by the plan and development, especially Latinx, homeless, and other underrepresented or underserved groups.

The key themes gathered from community feedback, which reflects the findings of this appendix, included: provide a range of housing opportunities affordable to Morgan Hill workforce; prevent homelessness and address the housing needs of people experiencing homelessness; promote extremely low-income housing; establish special needs housing for seniors, persons with disabilities, and veterans; conduct community education/outreach to inform residents about affordable housing and how to seek assistance; integrate affordable housing throughout the

community; ensure children who grew up in Morgan Hill have housing options so they can live in Morgan Hill as adults; preserve, maintain, and rehabilitate existing housing to ensure neighborhood livability and promote continued housing affordability; create an affordable housing overlay district; zone more land and/or change zoning regulations for multi-family to increase affordable housing; pass a commercial linkage fee ordinance; and pass a rent stabilization ordinance. These key themes, coupled with the findings of this appendix, were incorporated into goals, policies, and implementation programs/actions of the 2023-2031 City of Morgan Hill Housing Element.

DRAFT

Appendix H2

Site Inventory

City of Morgan Hill Housing Element 2023-2031

DRAFT

Table of Contents

City of Morgan Hill Housing Element

APPENDIX H-2 Site Inventory.....	H-2-i
2.1 Introduction.....	H-2-1
2.2 Regional Housing Needs Allocation.....	H-2-1
2.3 Planned and Entitled Projects.....	H-2-2
2.4 Summary of Capacity/Potential to Accommodate the RHNA.....	H-2-6
2.5 Infrastructure Availability.....	H-2-8

Figures

Figure H 2-1: Morgan Hill Residential Entitled & Proposed Projects.....	H-2-7
---	-------

Tables

Table H 2-1: City of Morgan Hill Regional Housing Needs Allocation, 2023-2031.....	H-2-2
Table H 2-2: Pipeline Residential Projects.....	H-2-3
Table H 2-3: Summary of Expected Pipeline Residential Projects.....	H-2-5
Table H 2-4: Total Pipeline Development Potential, By Income Category.....	H-2-5
Table H 2-5: Summary of Residential Capacity/Potential Compared to 6 th Cycle RHNA by Income, City of Morgan Hill, January 31, 2023 to January 31, 2031.....	H-2-6

APPENDIX H-2 | Site Inventory

2.1 Introduction

California law (Government Code Sections 65583 (a)(3)) requires that the Housing Element contain an inventory of land suitable for residential development, that can be developed for housing within the planning period and nonvacant (i.e., underutilized) sites having potential for redevelopment. State law also requires an analysis of the relationship of zoning and public facilities and services to these sites. In addition, Assembly Bill 686, Statutes 2018, requires that a jurisdiction identify sites throughout the community, in a manner that is consistent with its duty to affirmatively further fair housing (AFFH) pursuant to Government Code Section 65583. In the context of AFFH, the site identification requirement involves not only an analysis of site capacity to accommodate the RHNA, but also an analysis and conclusion of whether the identified sites improve or exacerbate conditions for each of the fair housing areas as outlined in Appendix H-5 Assessment of Fair Housing.

Pursuant to the California Department of Housing and Community Development (HCD) Housing Element Inventory Guidebook, projects that have been approved, permitted, or received a certificate of occupancy since the beginning of the Regional Housing Needs Allocation (RHNA) project period may be credited toward meeting the RHNA allocation based on the affordability and unit count of the development. In addition, Government Code Section 65583 identifies a city's or county's inventory of land suitable for residential development, or a "site", as: (1) Vacant sites zoned for residential use; (2) Vacant sites zoned for nonresidential use that allows residential development; (3) Residentially zoned sites that are capable of being developed at a higher density; or (4) Sites zoned for nonresidential use that can be redeveloped for residential use. Therefore, the fair housing analysis requirement does not apply to residential units in the pipeline (i.e. pending, approved, or permitted development).

This appendix presents an inventory of sites/residential projects within Morgan Hill city limits that are suitable for residential development expected to be developed and occupied during the planning period of this Housing Element, January 31, 2023 to January 31, 2031. The analysis presented in this appendix chapter demonstrates there is an adequate supply of residential projects in the "Pipeline" to accommodate the City's housing allocation of 1,037 units, including housing at all income levels. The analysis also demonstrates that a limited number of residential projects in the "Pipeline" allowing for higher density development are located within existing communities considered "low resource". There are 1,183 acres of low resource area within the City boundary, which is approximately 14 percent of the City. Consequently, there are no areas within the City of Morgan Hill which are classified as "high resource".

The appendix starts with a description of the City's housing target for the 2023-2031 planning period, called the Regional Housing Needs Allocation (RHNA). It then describes the number of residential units in the "Pipeline", consisting of both planned and entitled projects. The appendix then provides information on the availability of infrastructure to support development of housing.

2.2 Regional Housing Needs Allocation

RHNA is the California State-required process that seeks to ensure cities and counties are planning for enough housing to accommodate all economic segments of the community. The process is split into the following three steps:

1. **Regional Determination:** The California Department of Housing and Community Development (HCD) provides each region a Regional Determination of housing need, which

includes a total number of units split into four income categories. The City of Morgan Hill is within the region covered by the Association of Bay Area Governments (ABAG). HCD provided ABAG a Regional Determination of 441,176 units for the 6th Cycle RHNA (2023-2031). This is the total number of units that the cities and counties in the ABAG region must collectively plan to accommodate.

2. **RHNA Methodology:** Councils of Governments (COG), including ABAG, are responsible for developing a RHNA Methodology for allocating the Regional Determination to each city and county in the COG's region. This methodology must further specific state objectives, including but not limited to: promoting infill, equity, and environmental protection; ensuring jobs-housing balance; and affirmatively furthering fair housing.
3. **Housing Element Updates:** Each city and county must then adopt a housing element that demonstrates how the jurisdiction can accommodate its assigned RHNA through its zoning. HCD reviews each jurisdiction's housing element for compliance with state law.

The City of Morgan Hill's share of the regional housing need was determined by a methodology prepared by ABAG as part of the Regional Housing Needs Plan, adopted in December 2021. For the low- and very low-income allocations, the methodology used three adjustments: access to high opportunity areas, job proximity by automobile, and job proximity by transit. For the moderate and above moderate allocations, the methodology used two adjustments: access to high opportunity areas, and job proximity by automobile. Lastly, the methodology applied an equity adjustment that identified 49 jurisdictions that exhibited higher racial segregation and high median incomes than regional averages. As a result, Morgan Hill's RHNA was reduced by 10 units due to the equity adjustment.

In accordance with ABAG's Regional Housing Needs Plan, the City must plan to accommodate a total of 1,037 housing units between January 31, 2023, and January 31, 2031. This is equal to a yearly average of 130 housing units. Table H 2-1 below shows the City's RHNA by income category. Of the 1,037 total units, the City must plan to accommodate 262 units for very low-income households, 151 units for low-income households, 174 units for moderate-income households, and 450 units for above moderate-income households.

Income Category	Units	Percent of Total
Very Low-Income	262	25.3%
Low-Income	151	14.6%
Moderate-Income	174	16.8%
Above Moderate-Income	450	43.4%
TOTAL	1,037	100.0%

Source: Association of Bay Area Governments, Regional Housing Needs Plan, 2023-2031. Adopted December 2021.

State law also requires the City to identify the projected need for extremely low-income housing. The City assumes that 50 percent of the very low-income housing need is equal to the extremely low-income housing need. As such, there is a projected need for 131 extremely low-income housing units.

2.3 Planned and Entitled Projects

2.3.1 Overview

Morgan Hill has a significant pipeline of development projects that are seeking entitlements or are entitled and actively pursuing construction. Table H 2-2 summarizes the current inventory of residential and mixed-use projects with submitted or active entitlements. As of March 1, 2022, there were an estimated 1,823 housing units in the pipeline that are counted toward meeting the RHNA, which include single-family dwellings, deed-restricted affordable units, market rate condominiums and multi-unit development, and individual affordable housing developments. These projects range in size from smaller infill projects with fewer than 100 units, to larger developments with hundreds of units.

There are 545 units in the pipeline that will provide affordable housing for lower-income households. The inventory includes several individual affordable housing developments in the pipeline, including a 249-unit affordable development at 18960 Monterey Road; a 66-unit affordable development at 17965 Monterey Road; a 73-unit affordable development at 15440 Monterey Road; and an 82-unit affordable development at 16685 Church Street.

DRAFT

2.3.2 Summary of Pipeline Residential Development

In total, there are 1,823 units in planned and entitled projects that are counted toward meeting the RHNA. Based on affordability restrictions, the projects listed in Table H 2-2 are anticipated to provide 545 affordable lower-income units consisting of 158 extremely low-income units, 149 very low-income units, and 238 low-income units. In addition to the affordable lower-income units, there are 445 moderate-income units in the pipeline and 833 above moderate-income units.

Project Name	Above Mod. Income Units	Moderate Income Units	Low-Income Units	Very Low-Income Units	Extremely Low-Income Units	Total Units
SR2020-0017 Monterey-Lucky Shing Manzanita Park (APN 725-010-18) ²	57	10	-	-	-	67
SR2018-0020 E. Dunne- Young (Andalusia) (APNs 726-020-51 & 726-020-52) ³	42	1	3	-	-	46
SR2021-0003 Dakota-Dunne (APN 726-090-24) ²	3	3	-	-	-	6
SR2019-0003 Depot-Latala (Hale Lumber) (APN 726-130-49) ³	49	-	-	-	-	49
SR2019-0026 Monterey-City Ventures (APN 726-250-06) ³	86	15	-	-	-	101
SR2019-0015 Jarvis-MH Apartments (Braddock & Logan) (APN 726-250-95) ³	-	311	-	78	-	389
SR2020-0027 Monterey-Minor (Jemcor) (APN 726-360-59) ³	-	3	196	25	25	249
SR2021-0014 Monterey-Kerley (DeNova Homes) (APNs 726-420-01 & 726-420-02) ¹	79	14	-	-	-	93
SR2020-0010 Half-Dividend (Crosswinds) (APNs 728-300-01 through 728-300-04) ¹	229	40	-	-	-	269
SR2021-0011 Cochrane-Toll Brothers (APNs 728-340-32 & 728-340-33) ³	114	25	-	-	-	139
SR2018-0009 Tilton-Lee Schmidt (APN 764-090-04) ²	1	1	-	-	-	2
SR2021-0005 Monterey-First Community Housing (Magnolias) (APN 764-120-06) ²	-	1	14	9	42	66
SD2021-0002 Campoli-Squires (APN 764-240-05) ²	1	-	-	-	-	1

Table H 2-2 Pipeline Residential Projects (cont.)						
Project Name	Above Mod. Income Units	Moderate Income Units	Low-Income Units	Very Low-Income Units	Extremely Low-Income Units	Total Units
SD2020-0001 Sanchez-Brewer (APN 764-240-76) ²	1	-	-	-	-	1
AAE2021-0002 Old Monterey-Appletree (Kelly Vo) (APN 764-240-61) ²	5	2	-	-	-	7
SR2020-0028 Spring-Ginacola (APN 767-110-30) ³	19	3	-	-	-	22
SR2022-0001 Edes-Alcini (TTLC Morgan Hill) (APN 767-180-46) ¹	18	3	-	-	-	21
SR2018-0025 Llagas-Strolata Properties (Silvas) (APN 773-320-13) ²	4	-	-	-	-	4
SR2020-0023 Watsonville-Hordness (Crossings at Monterey/Royal Oaks Village) (APN 779-040-75) ³	-	1	-	24	48	73
SR2020-0005 Monterey-Morgan Hill Senior Housing (APN 817-020-67) ²	-	1	25	13	43	82
SR2020-0014 Tennant-Osito Holdings (APN 817-040-59) ²	14	2	-	-	-	16
SR2022-0002 (Lillian Commons/Rosewood) (APN 817-090-41) ¹	111	9	-	-	-	120
Subtotal	833	445	238	149	158	1,823

Source: City of Morgan Hill Development Services Department, May 1, 2022.

Notes: ¹ Pending project based on the affordability and unit count within the proposed project expected to be built within the 2023-2031 planning period.

² Entitled project based on the affordability and unit count of the approved development expected to be built within the 2023-2031 planning period.

³ Affordability and unit count of the approved development based on Building Permits submitted to City of Morgan Hill and expected to be built within the 2023-2031 planning period.

The City of Morgan Hill received Building Permit applications for several of the projects identified in Table H 2-2 totaling 1,068 units. These projects include: 1. SR2018-0020 E. Dunne-Young (Andalusia) (APNs 726-020-51 & 726-020-52); 2. SR2019-0003 Depot-Latala (Hale Lumber) (APN 726-130-49); 3. SR2019-0026 Monterey-City Ventures (APN 726-250-06); 4. SR2019-0015 Jarvis-MH Apartments (Braddock & Logan) (APN 726-250-95); 5. SR2020-0027 Monterey-Minor (Jemcor) (APN 726-360-59); 6. SR2021-0011 Cochrane-Toll Brothers (APNs 728-340-32 & 728-340-33); 7. SR2020-0028 Spring-Ginacola (APN 767-110-30); and 8) SR2020-0023 Watsonville-Hordness (Crossings at Monterey/Royal Oaks Village) (APN 779-040-75).

To estimate the number of proposed pipeline development projects that are expected to reach completion during the 6th cycle, the City examined completion rates of pipeline development projects during the 5th cycle (2015 through 2022). For discretionary entitlements, completion rates were found by drawing upon all planning entitlement applications and approvals and finding the percentage of those projects which have obtained a building permit and therefore reached completion. This analysis found that entitlement applications had a completion rate of 88.7%, while approved entitlements had a completion rate of 91.7%. For building permit applications and

approved permits, completion rates were established based on evaluating all residential building permits issued for new residential units, as well as all issued building permits that have been finalized/received a certificate of occupancy, from January 1, 2015, through December 31, 2020. The report found that building permits have a 99.2% completion rate for issued permits. Those completion rates were then applied to the current pipeline to determine the number that would be expected to be completed within the next eight years.

Table H 2-3 Summary of Expected Pipeline Residential Projects			
Project Type by Income Category	Proposed Units Added	% Units Expected to be Completed	Units Expected to be Completed
Active Planning Entitlements			
Lower Income	-	-	-
Moderate Income	66	88.7%	59
Above Moderate Income	437	88.7%	388
Total Units	503	88.7%	447
Approved Planning Entitlements with No Building Permit			
Lower Income	146	91.7%	134
Moderate Income	20	91.7%	18
Above Moderate Income	86	91.7%	79
Total Units	252	91.7%	231
Building Permit Applications			
Lower Income	399	99.2%	396
Moderate Income	359	99.2%	356
Above Moderate Income	310	99.2%	308
Total Units	1,068	99.2%	1,060

Table H 2-4 shows the expected breakdown of this pipeline development potential, by expected income category. The income categories for individual development projects are based on the actual proposed affordability level requested or approved as part of the entitlement request.

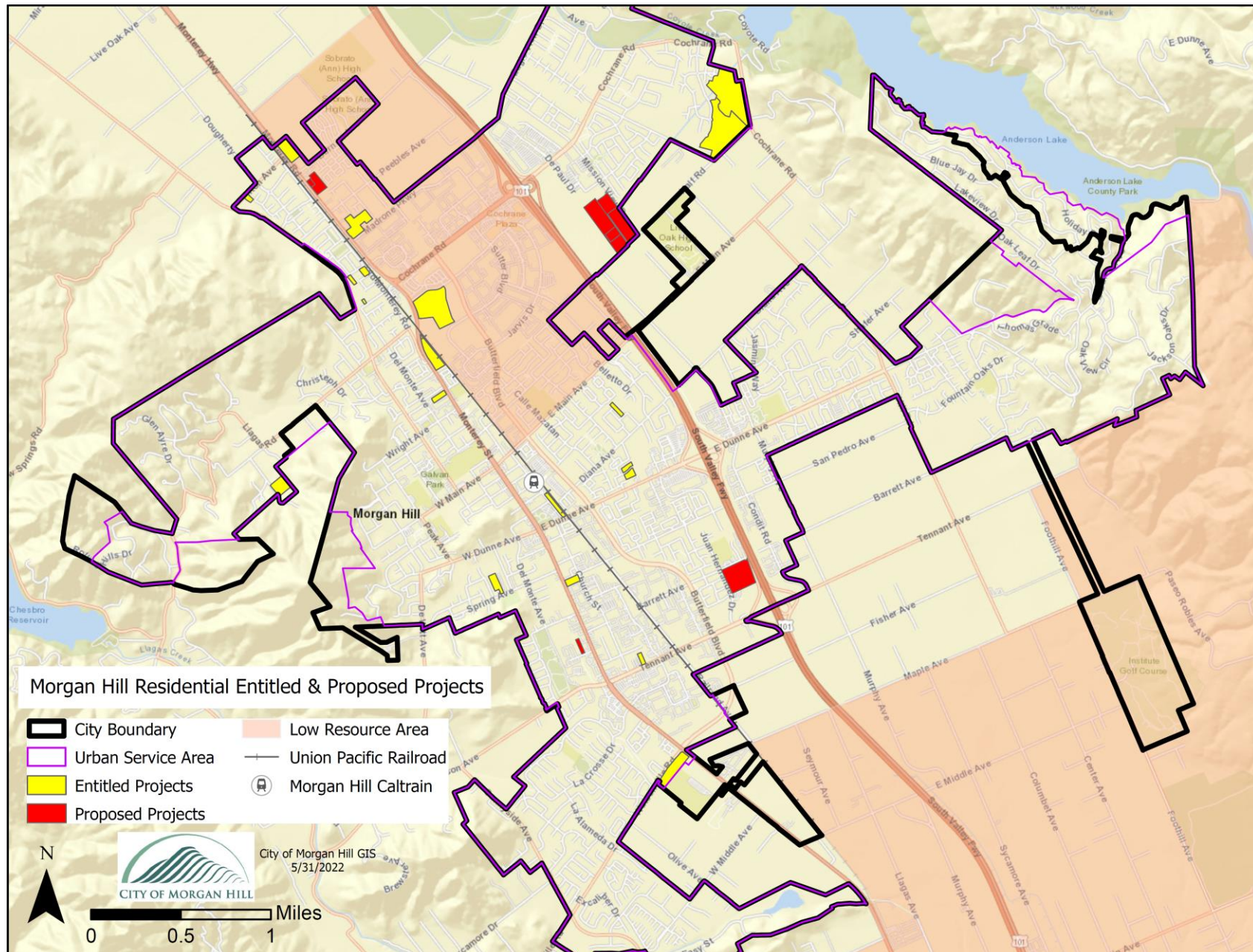
Table H 2-4 Total Pipeline Development Potential, by Income Category						
	Above Mod. Income Units	Moderate Income Units	Low-Income Units	Very Low-Income Units	Extremely Low-Income Units	Total Development Potential
Active Planning Entitlements	388	59	-	-	-	447
Approved Planning Entitlements with No Building Permit	79	18	36	20	78	231
Building Permit Applications	308	356	197	126	73	1,060
Total Pipeline Development Projects	775	433	233	146	151	1,738

2.4 Summary of Capacity/Potential to Accommodate the RHNA

State law requires each jurisdiction to demonstrate that sufficient land is zoned to provide housing capacity that is adequate to meet the RHNA for each income level. Table H 2-5 below provides a summary of total residential development capacity and potential included in the site inventory compared to the City's 6th Cycle RHNA. As shown in the table, the City has a total residential development pipeline capacity for 1,823 units. After incorporating the success criteria percentages identified in Table H 2-3 above, the City has a total residential development pipeline potential of 1,738 units, which is sufficient capacity to accommodate the RHNA of 1,037 units. The site inventory includes capacity for 413 lower-income units (i.e., extremely low-, very low-, and low-income units), 174 moderate income units, and 450 above moderate-income units.

Table H 2-5 Summary of Residential Capacity/Potential Compared to 6th Cycle RHNA by Income, City of Morgan Hill, January 31, 2023 to January 31, 2031						
	Extremely Low-Income Units	Very Low-Income Units	Low-Income Units	Moderate-Income Units	Above Moderate-Income Units	Total Units
RHNA	131	131	151	174	450	1,037
Pipeline Residential Capacity	158	149	238	445	833	1,823
Pipeline Residential Potential	151	146	233	433	775	1,738
Surplus(+)/Deficit(-)	+20	+15	+82	+259	+325	+701

Figure H 2-1: Morgan Hill Residential Entitled & Proposed Projects



2.5 Infrastructure Availability

This section addresses the availability of infrastructure to accommodate planned residential growth throughout the Housing Element planning period (2023-2031). The Housing Element includes programs to help support infrastructure improvements in areas targeted for development to ensure that there is enough water, sewer, and dry utility capacity to meet housing units projected in the RHNA.

As development occurs throughout the city, upgrades to water and wastewater conveyance facilities may be required. The precise location and connection would need to be determined at the time development is proposed. Any future line size modifications or connections would be designed in accordance with applicable provisions of the Morgan Hill Municipal Code and to the satisfaction of the City Engineer. Increased development density has the potential to impact the capacities of local utilities infrastructure, which may require the expansion or construction of new facilities. However, all new development is subject to its own CEQA process where project-specific impacts associated with water supply and wastewater would be analyzed.

The availability of adequate public facilities and services in relation to the pending pipeline residential projects identified in Table H 2-2 has been evaluated, and the City has determined there are no public facilities or service constraints that would impede development of housing units to meet Morgan Hill's allocation. Existing water delivery and wastewater collection infrastructure is available to all properties located in the City's Urban Service Area, which includes all the pipeline residential projects identified in Table H 2-2, and the City has adequate water and wastewater capacity to accommodate the RHNA of 1,037 units. All of the pipeline residential projects are adjacent to existing public roadways and are serviceable by the City's police and fire departments, as well as private companies that provide telephone, cable, gas, and electric service.

Senate Bill (SB) 1087, effective January 2006, requires water and sewer providers to grant priority for service allocations to proposed developments that include units affordable to lower income households. Pursuant to these statutes, upon adoption of its Housing Element, the City of Morgan Hill will immediately deliver the Housing Element to local water and sewer providers, along with a summary of its RHNA.

Appendix H3

Opportunities for Energy Conservation

City of Morgan Hill Housing Element 2023-2031

Table of Contents

City of Morgan Hill Housing Element

APPENDIX H-3 | Opportunities for Energy Conservation..... H-3-i

3.1 Introduction..... H-3-1

3.2 Framework for Conserving Energy Resources..... H-3-2

3.3 Energy Efficiency and Conservation Programs..... H-3-4

DRAFT

APPENDIX H-3 | Opportunities for Energy Conservation

3.1 Introduction

California law (Government Code Sections 65583(a)(8)) requires Housing Elements to contain an analysis of opportunities for residential energy conservation. According to the California Department of Housing and Community Development (HCD), the energy conservation section of a Housing Element must inventory and analyze the opportunities to encourage energy saving features, energy saving materials, and energy efficient systems and design for residential development.

The term “residential energy” refers to the total energy used in residential buildings, including heating, cooling, and “plug load” from appliances, lights, and electrical devices. “Energy conservation” refers to reducing energy use through using less of an energy service, such as lowering the thermostat in the winter or raising the thermostat in the summer.

Housing and energy efficient, resilient, and healthy buildings are key components for achieving community vitality and serving the needs of residents. Energy efficient buildings increase occupant health by reducing infiltration of moisture, pests, or air pollution. They increase comfort and decrease utility bills. In the case of existing buildings, this can help prevent residents from having utilities turned off due to inability to pay or resorting to unsafe practices for heating a home, such as relying on gas ovens. Energy efficient housing is also more resilient to climate change, preventing infiltration of wildfire smoke and keeping homes thermally comfortable during extreme heat events.

Residential energy efficiency can be improved by sealing the building envelope and HVAC ducts; insulating the attic or ceiling, walls, and floor; installing efficient heating and cooling systems; and energy efficient lighting and appliances. Passive heating, cooling, and lighting can also be employed when designing new buildings. Housing type also makes a difference in building energy consumption, with the average multi-unit housing unit using half the energy of an average single-unit detached home.¹ Multi-unit homes tend to be more energy efficient because they tend to be smaller than single-unit detached homes and the shared walls amongst units have a self-insulating effect that create further efficiencies.

In addition to reducing greenhouse gas (GHG) emissions and conserving limited energy resources, reducing residential energy consumption also has economic benefits. Energy conservation measures can result in lower monthly housing costs and contribute to greater long-term housing affordability.

The City of Morgan Hill has a central goal of reducing GHG emissions and reaching carbon neutrality by 2045 and is committed to reaching this goal through a number of goals, action items, and planning efforts identified in the Morgan Hill 2021 Climate Action Plan. Energy efficiency and conservation measures are key components of these efforts. Energy conservation can help achieve the City’s goal for carbon neutrality by both reducing use of natural gas, which will reduce emissions, and reducing use of electricity, which will reduce demand on the grid and increase

¹ Location Efficiency and Housing Type: Boiling it Down to BTUs, U.S. EPA and Jonathan Rose Companies. 2011

reliability. In addition, energy conservation reduces residents' energy costs and makes their homes more comfortable, healthy, and resilient. Using electricity instead of natural gas to fuel homes can also help to reduce climate impacts and improve health. Housing needs to be constructed expeditiously in order to address the housing crisis; however, if it is not built to also address the climate crisis, it will be challenging for jurisdictions and the State to meet aggressive climate goals. This Energy Conservation appendix describes the ways the City is currently addressing the conservation of energy resources as part of larger climate action and adaptation processes.

3.2 Framework for Conserving Energy Resources

3.2.1 2035 General Plan Update

The City of Morgan Hill adopted the 2035 General Plan on July 27, 2016, which includes a set of policies and actions within the Natural Resources and Environment Element, with an overall goal to conserve energy resources, that guides future development in an effort to reduce the City's greenhouse gas (GHG) emissions. The following is a summary of residential conservation of energy resources policies and actions from the City's 2035 General Plan:

- 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.
- Policy NRE-16.2 Energy Conservation.** Promote energy conservation techniques and energy efficiency in building design, orientation, and construction.
- Policy NRE-16.3 Energy Use Data and Analysis.** Provide information to increase building owner, tenant, and operator knowledge about how, when, and where building energy is used.
- Policy NRE-16.4 Retrofit Financing.** Promote existing and support development of new private financing options for building retrofits and renewable energy development.
- Policy NRE-16.5 Energy Efficiency.** Encourage development project designs that protect and improve air quality and minimize direct and indirect air pollutant emissions by including components that promote energy efficiency.
- Policy NRE-16.6 Landscaping for Energy Conservation.** Encourage landscaping plans for new development to address the planting of trees and shrubs that will provide shade to reduce the need for cooling systems and allow for winter daylighting.
- 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.
- Policy NRE-16.9 Subdivision Design.** In compliance with Section 66473.1 of the State Subdivision Map Act, promote subdivision design that

provides for passive solar heating and natural cooling through the Development Review Committee subdivision review procedures.

Action NRE-16.A Community Choice Aggregation. Partner with other Santa Clara County jurisdictions to determine the feasibility for development of a regional CCA program, including identification of the geographic scope, potential costs to participating jurisdictions and residents, and potential liabilities.

Action NRE-16.C Local Energy Ordinances. Develop local ordinances that promote energy conservation and efficiency. Examples of such ordinances include: energy audits, solar access, solar swimming pool heating, insulation and solar retrofit, and solar water heating.

3.2.2 Morgan Hill 2021 Climate Action Plan

The City of Morgan Hill is invested in preparing a resilient future for our community and the environment overall. The Morgan Hill 2021 Climate Action Plan (CAP) was developed out of the urgency that the City Council saw to address climate change and focus efforts toward the initiatives that will make the most significant positive impacts in the most timely manner. Thus, it was determined that a limited CAP be developed with a focus on reducing greenhouse gas emissions in the transportation and building sectors. The strategies in the CAP focus on areas of decarbonizing buildings and reducing emissions from on-road and off-road vehicles by increasing electric vehicles and electric equipment to reach net zero emissions.

The main goal of the CAP is to reduce Morgan Hill's net CO₂ emissions in the building and transportation sectors 35% below the 2020 baseline level by 2030 and 100% below the 2020 baseline level by 2045.

The residential sub-goals of the CAP include the following:

1. Expand electric vehicle charging station access for existing multi-family complexes by 30%, (i.e., the number of chargers in multi-family complexes will be equivalent to at least 30% of the number of units in multi-family complexes) by the year 2025 and 100% by 2035.
2. Require newly-constructed residential buildings to have the necessary capacity to facilitate electric vehicle charging.
3. Transition 95% of existing buildings in Morgan Hill to be all-electric by 2045, with additional targets every five years consisting of:
 - 1% of existing buildings by 2025
 - 10% of existing buildings by 2030
 - 35% of existing buildings by 2035
 - 70% of existing buildings by 2040

3.2.3 Energy Efficiency Building Requirements

Title 24, Part 6, of the California Code of Regulations (Building Energy Efficiency Standards for Residential and Nonresidential Buildings) contains California's building standards for energy efficiency. These regulations respond to California's energy crisis and need to reduce energy bills, increase energy delivery system reliability, and contribute to an improved economic condition for

the state. Each city and county must enforce these standards as part of its review of building plans and issuance of building permits. The standards, prepared by the California Energy Commission, were established in 1978 in response to a State legislative mandate to reduce California's energy consumption. The standards are updated periodically to consider and incorporate new energy efficiency technologies and methods.

The 2019 California Building Code (including Title 24, Part 6, described above) went into effect in the City on January 1, 2020, see Chapter 15.08 (Building Code) of the City's Municipal Code. All new construction must comply with the standards in effect on the date a building-permit application is submitted.

The California Green Building Standards Code, within Title 24, Part 11, of the California Code of Regulations, includes green building regulations, also referred to as the CALGreen Code, to encourage more sustainable and environmentally friendly building practices, require low pollution emitting substances that can cause harm to the environment, conserve natural resources, and promote the use of energy efficient materials and equipment. There are mandatory measures, which apply statewide, and voluntary measures, which can be adopted locally. Voluntary measures are organized into 2 tiers with their own respective prerequisites and elective measures: Tier 1 prerequisites set a higher baseline than CALGreen mandatory measures; while Tier 2 prerequisites include all of Tier 1 prerequisites plus some enhanced or additional measures.

Prohibition of Natural Gas Infrastructure in New Buildings Ordinance

Following the passage of Senate Bill (SB) 100, which mandates that California utilities provide carbon-neutral electricity by 2045, local governments began passing ordinances that are variations on the theme of prohibiting fossil fuel energy sources in new construction.

Decarbonization through electrification is one of the key strategies for reducing GHG emissions. In order for Morgan Hill to reach carbon neutrality, the majority of the buildings in the City will need to be carbon neutral. All-electric buildings have been shown to be cost-effective for new construction and the electrification of new residential construction is expected to reduce the overall cost to build new housing. Avoiding the cost of gas infrastructure provides significant savings (approximately \$7,000 per unit), and most electric appliances have similar or lower operating costs compared to natural gas appliances.

In November 2019, the City Council adopted Ordinance 2306 establishing Chapter 15.63 (Prohibition of Natural Gas Infrastructure in New Buildings) requiring all new buildings (residential, commercial, and industrial), after March 1, 2020, to be all-electric. Electrification allows buildings to use 100 percent carbon neutral electricity.

3.3 Energy Efficiency and Conservation Programs

This Section briefly describes some of the potential ways to achieve energy savings through the regulations and programs of the City, the State, and local utility providers.

3.3.1 Rehabilitation Program, Minor Home Repair

Morgan Hill has established a minor home repair rehabilitation program that was operational during the entire previous Housing Element cycle. This fund was initially established by a one-time developer contribution and was intended to be used for senior housing-related support services. The Housing Division in the past contracted with the non-profit, Rebuilding Together of

Silicon Valley (Rebuilding Together) to administer and manage a rehabilitation program funded by the Senior Housing Trust. Rebuilding Together has been providing the South County with home repair service for thirty years and provides a “lifeline” Home Repair Rehab Program for fixed income seniors in Morgan Hill, as well as lower income tenants. The original fund has been exhausted and this program is now funded by the Community Development Block Grant for which Morgan Hill participates through a Joint Powers Agreement with the County of Santa Clara. Through this Rehabilitation Program, the City of Morgan Hill rehabilitated 169 units from 2015 through 2021, administered by Rebuilding Together.

3.3.2 Local Utility Programs

Pacific Gas and Electric

PG&E offers the following financial and energy-related assistance programs for its low-income customers:

- ❖ **Energy Savings Assistance Program.** PG&E’s Energy Savings Assistance program offers free weatherization measures and energy-efficient appliances to qualified low-income households. PG&E determines qualified households through the same sliding income scale used for CARE. The program includes measures such as attic insulation, weather stripping, caulking, and minor home repairs. Some customers qualify for replacement of appliances including refrigerators, air conditioners, and evaporative coolers.
- ❖ **Energy Efficiency for Multifamily Properties.** The Energy Efficiency for Multifamily Properties program is available to owners and managers of existing multi-family residential dwellings containing five or more units. The program encourages energy efficiency by providing rebates for the installation of certain energy-saving products.
- ❖ **California Alternate Rates for Energy (CARE).** PG&E offers this rate reduction program for low-income households. PG&E determines qualified households by a sliding income scale based on the number of household members. The CARE program provides a discount of 20 percent or more on monthly energy bills. Approximately 16.8% of Morgan Hill customers/households are enrolled in the CARE program.
- ❖ **REACH (Relief for Energy Assistance through Community Help).** The REACH program is sponsored by PG&E and administered through a non-profit organization. PG&E customers can enroll to give monthly donations to the REACH program. Qualified low-income customers who have experienced uncontrollable or unforeseen hardships, that prohibit them from paying their utility bills may receive an energy credit. Eligibility is determined by a sliding income scale based on the number of household members. To qualify for the program, the applicant’s income cannot exceed 200 percent of the Federal poverty guidelines.
- ❖ **Medical Baseline Allowance.** The Medical Baseline Allowance program is available to households with certain disabilities or medical needs. The program allows customers to get additional quantities of energy at the lowest or baseline price for residential customers.

Santa Clara Valley Water District

The Santa Clara Valley Water District (Valley Water) offers the following financial and energy-related assistance programs for residents:

- ❖ **Landscape Rebate Program.** This program is designed to encourage residents to convert approved high-water use landscape, such as lawns and pools, to low-water use landscape, as well as to retrofit existing irrigation equipment with approved high-efficiency irrigation equipment. Valley Water's Landscape Rebate Program offers four rebate categories that can help save water:
 - Landscape Conversion Rebate
 - In-Line Drip Irrigation Conversion Rebate
 - Irrigation Equipment Upgrade Rebate
 - Rainwater Capture Rebate
- ❖ **Graywater Rebate.** Through Valley Water's Graywater Rebate Program, rebates are offered to residents who install a Graywater Laundry-to-Landscape System.
- ❖ **Submeter & Private Well Rebates.** Valley Water offers rebates for installing qualifying submeters and water meters.

3.3.3 Federal and State Energy Assistance Programs

California Department of Community Services and Development (CSD)

In addition to the local programs described above, the California Department of Community Services and Development (CSD) administers the Federally funded Low-Income Home Energy Assistance Program (LIHEAP). This program provides two types of assistance: Home Energy Assistance and Energy Crisis Intervention. The first type of assistance is a direct payment to utility bills for qualified low-income households. The second type of assistance is available to low-income households that are in a crisis. CSD also offers free weatherization assistance, such as attic insulation, caulking, water heater blankets, and heating and cooling system repairs to low-income households.

The California Arrearage Payment Program (CAPP) is a state program to help pay customers' eligible past due energy bills that increased during the COVID-19 pandemic. CAPP reduces qualified customers' unpaid energy bills by directly applying a bill credit to their energy bill. Customers do not need to apply for CAPP and assistance will be disbursed by state utility companies electing to participate in CAPP. CAPP bill credits are courtesy of the State of California and are targeted to help utility customers that fell behind on their energy bills because of the economic impacts of the COVID-19 pandemic. Customers may qualify for a CAPP credit if they had an unpaid energy utility bill over 60 days past due incurred between March 4, 2020 and June 15, 2021.

The new federal Low Income Household Water Assistance Program (LIHWAP) will provide financial assistance to low-income Californians to help manage their residential water utility costs. Established by Congress in December 2020, this federally funded program will help low-income households pay down their outstanding water bills. California has been allocated \$116 million in one-time funding to provide LIHWAP assistance. The Department of Community Services and Development (CSD) has been designated the administering agency for LIHWAP in California. CSD, in consultation with stakeholders, is in the process of defining the scope of the LIHWAP

program and service delivery through the development of a LIHWAP State Plan. The U.S. Department of Health and Human Services, Office of Community Services, has provided guidance that LIHWAP should be modeled on existing processes, procedures, policies, and systems in place to provide assistance, such as the CSD administered Low-Income Home Energy Assistance Program (LIHEAP).

Solar on Multifamily Affordable Housing (SOMAH)

The Solar on Multifamily Affordable Housing (SOMAH) Program provides financial incentives for installing photovoltaic (PV) energy systems on multi-family affordable housing in California. The program will deliver clean power and credits on energy bills to hundreds of thousands of the state's affordable housing residents. SOMAH's unique, community-based approach ensures long-term, direct financial benefits for low-income households, helps catalyze the market for solar on multi-family housing and creates jobs. The SOMAH Program is overseen by the California Public Utilities Commission.

Self-Generation Incentive Program (SGIP)

The Self-Generation Incentive Program (SGIP) is a California Public Utilities Commission (CPUC) program that offers rebates for installing energy storage technology in a home. These storage technologies include battery storage systems that can function in the event of a power outage. Any PG&E customer can apply for this program to receive a rebate that is 15-20% of the average battery cost. Medical Baseline customers and customers who reside in affordable housing could receive a rebate that is 85-100% of the average battery cost.

Appendix H4

Constraints Analysis

City of Morgan Hill Housing Element 2023-2031

DRAFT

Table of Contents

City of Morgan Hill Housing Element

APPENDIX H-4 | Constraints Analysis..... H-4-i

4.1 Introduction..... H-4-1

4.2 Nongovernmental Constraints..... H-4-1

4.3 Governmental Constraints..... H-4-10

Figures

Figure H 4-1: Total Development Costs: Single-Family..... H-4-5

Figure H 4-2: Total Development Costs: Multi-Family..... H-4-6

Figure H 4-3: Earthquake Faults..... H-4-8

Figure H 4-4: Fire Hazard Severity Zones..... H-4-9

Figure H 4-5: FEMA Flood Zones..... H-4-10

Figure H 4-6: City of Morgan Hill Zoning Map..... H-4-12

Figure H 4-7: Draft Monterey Corridor Form-Based Code Regulating Plan..... H-4-21

Tables

Table H 4-1: Status of Home Purchase, Refinance, and Home Improvement Loans 2020..... H-4-2

Table H 4-2: Base Zoning Districts..... H-4-13

Table H 4-3: Residential Estate (RE) District Development Standards..... H-4-15

Table H 4-4: Residential Detached Low and Medium Density District Development Standards... H-4-15

Table H 4-5: Residential Detached High Density District Development Standards..... H-4-16

Table H 4-6: Residential Attached Low Density District Development Standards..... H-4-17

Table H 4-7: Residential Attached Medium and High Density District Development Standards... H-4-18

Table H 4-8: Mixed Use Zoning District Development Standards..... H-4-18

Table H 4-9: Total Fees per Unit (By Jurisdiction)..... H-4-27

Table H 4-10: Permit Processing Times, in Months (By Jurisdiction)..... H-4-28

Table H 4-11: Permitted Residential Land Uses by Zoning District..... H-4-30

APPENDIX H-4 | Constraints Analysis

4.1 Introduction

The purpose of this section, per Government Code Section 65583(a)(5-6), is to identify nongovernmental and governmental factors (constraints) that impact the feasibility, costs, and timelines of housing projects, which in turn affect the City's ability to meet the housing needs of all its residents and to affirmatively further fair housing goals. Constraints affect a housing development's location selection, density, design, and permitting process which impact whether housing can be developed, maintained, or improved. Examples of such constraints are land and construction costs, access to credit, permit fees, development standards, and compliance with Federal and State laws intended to facilitate housing for lower-income and special needs households. A thorough understanding of the constraints to development can help to create appropriate policy responses to mitigate constraints and make it easier and more affordable to develop housing.

4.2 Nongovernmental Constraints

State law (California Government Code, Section 65583[a][6]) requires Housing Elements to contain an analysis of nongovernmental constraints to the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction. Potential nongovernmental constraints are largely determined by market conditions over which local jurisdictions have little control. However, local governments can influence market conditions and their associated costs, even if only indirectly. Governmental interventions that affect nongovernmental constraints will be explored in more detail in Section 5.3.

4.2.1 Availability of Financing

The availability of financing is a critical factor that can influence the cost and supply of housing. There are generally two types of financing used in the housing market: (1) capital used for initial site preparation and construction; and (2) capital used to finance the purchase of units by homeowners and investors. Interest rates substantially impact home construction, purchase, and improvement costs. A small fluctuation in rates can make a dramatic difference in the annual income needed to qualify for a loan. In general, financing for new residential development in the City is available at reasonable rates. While interest rates have been historically low in recent years, interest rates have increased within the past year, leading to credit tightening. The availability of financing in a community depends on a number of factors, including the type of lending institutions active in the community, lending practices, rates and fees charged, laws and regulations governing financial institutions, and equal access to those institutions. Through analysis of Home Mortgage Disclosure Act (HMDA) data on the disposition of residential loan applications, an assessment can be made of the availability of residential financing within a community.

Table H 4-1 summarizes HMDA data for both the City of Morgan Hill and Santa Clara County, providing information on the approval status of all home purchase, refinance, and home improvement loan applications during 2020.

- ❖ Of the total 1,045 completed applications for home purchase loans in Morgan Hill, 95

percent were approved and five percent were denied, above the 90 percent approval rate County-wide. In 2018, the approval rate for home purchase loans in Morgan Hill was 88 percent, indicating access to mortgage financing has improved in the City. Review of loan denials in 2020 by Morgan Hill's nine census tracts indicates three tracts (5123.05, 5123.08, 5123.14) with loan denial rates significantly above the five percent citywide average.

- ❖ The volume of applications for refinance loans in Morgan Hill was nearly three times that of home purchase loans due to historically low interest rates in 2020, with 89 percent of the total 3,432 applications receiving approval and 11 percent denied, similar to the regional average.
- ❖ The number of applications for home improvement loans in Morgan Hill was very limited at just 99, with 66 percent of applications receiving approval and 34 percent being denied, slightly better than the 38 percent denial rate County-wide. Home improvement loans typically have higher denial rates because homeowners may already have high debt-to-income ratios on their home mortgage or refinance loans.

Table H 4-1 Status of Home Purchase, Refinance, and Home Improvement Loans 2020					
Loan Type	Morgan Hill Completed Loan Applications	Loans Approved		Loans Denied	
		Morgan Hill	Santa Clara County	Morgan Hill	Santa Clara County
Conventional Home Purchase Loans					
# of Applications	1,100	1,045	14,744	55	1,596
% Approval/Denial	-	95%	90%	5%	10%
Refinancing Loans					
# of Applications	3,432	3,041	65,758	391	7,658
% Approval/Denial	-	89%	90%	11%	10%
Home Improvement Loans					
# of Applications	151	99	2,724	52	1,639
% Approval/Denial	-	66%	62%	34%	38%

4.2.2 Development Costs

The cost to develop housing, whether single-unit or multi-unit, includes the cost of land, construction, infrastructure, and “soft costs,” which refers to engineering and architectural fees, insurance, financing, administrative costs, and marketing costs.

Century Urban, LLC (Century | Urban) has performed research on the development costs of certain residential prototypes (2,600 square foot single-family dwelling, 5,000 square foot single-family dwelling, 10-unit multi-family building, and a 100-unit multi-family building) in Santa Clara County, including the City of Morgan Hill. The research findings are based on Century | Urban's recent work on other assignments as well as on third-party data sources.¹

¹ Century Urban, LLC; April 2022. San Mateo and Santa Clara Counties Development Cost & San Mateo County Unit Mix Research.

Land Costs

The availability and price of land are potential constraints to the development of housing for all income levels. The scarcity of vacant land in the Silicon Valley, including the City of Morgan Hill, results in land cost being very expensive, especially in denser and more desirable areas. Compared with other residential development cost components, land cost is the most prone to variations in price by location, school district, nearby amenities, and zoning.

To generate the single-family land values utilized in the development cost estimates, Century | Urban collected sales data for land lots totaling one acre or less which transacted over the past three years. The data does not include properties with existing homes or infrastructure that were redeveloped as new single-family homes. 11 data points were collected for the City of Morgan Hill. According to the Century | Urban report, land sales costs for single-family home land sites in Morgan Hill range from a low of \$1 to a maximum of \$495 per square foot; with the median rate at \$15 per square foot and the average at \$79 per square foot.

Century | Urban collected available multi-family land sales data from 2013 to the present in Santa Clara County. Of the 40 data points collected for Santa Clara County, one was located in Morgan Hill with a land cost of \$86,000 per unit; whereas the county land cost per unit average is \$60,000.

Hard Costs

The cost of labor and material, referred to as hard construction costs, represent the largest component of housing development costs. The greatest determinant of construction costs is the type of building. Single-story, wood-framed structures are the least costly to build, whereas multi-story steel-reinforced, poured-in-place concrete structures are the most expensive.

According to a report released in March 2020 on multi-unit construction costs in California from the Turner Center, hard construction costs make up more than 60 percent of total development costs. The Turner Center study found that on average, construction costs were about \$222 per square foot in 2018 compared to \$177 in 2008-2009, representing a 25 percent increase. Costs have continued to increase since 2018. Several factors have caused the increased cost of materials, including global trade patterns and federal policy decisions, such as tariffs, as well as state and local regulations, such as building codes. The COVID-19 pandemic has also influenced the cost and availability of construction materials. Supply chain disruptions have resulted in project delays and increased costs due to a shortage of construction materials and equipment.

Labor costs have also increased in recent years, as the labor pool has not kept pace with the increase in demand. Since the recession, California has seen a severe tightening in the construction labor market, especially for workers trained in specific construction trades. The lack of an available labor force drives up the cost of labor and leads to project delays as workers are either unavailable or lost to more profitable projects.²

However, in the more recent, and focused, Century | Urban report, the hard costs for a 2,600 square foot single-family dwelling were found to be \$420 per square foot in San Mateo and Santa Clara Counties; and the hard costs for a 5,000 square foot single-family dwelling were found to be \$525 per square foot. Whereas the hard costs for a 10-unit multi-family building were found to be \$522 per square foot; and the hard costs for a 100-unit multi-family building were found to be

² Forscher, T.; Kneebone, E.; Raetz, H.; and Reid, C. March 2020. The Hard Costs of Construction: Recent Trends in Labor and Material Costs for Apartment Buildings in California. Turner Center for Housing Innovation, UC Berkeley.

\$517 per square foot according to the Century | Urban report.

Soft Costs

Other costs, often called “soft costs,” include engineering and architectural fees, insurance, financing, administrative costs, and marketing costs. According to the Century | Urban report, soft costs are generally assumed to be around 30% of hard costs, with single-unit development prototypes studied ranging from about \$133 to \$147 per square foot, and the soft costs for the multi-unit development projects ranging from \$159 to \$165 per square foot.

Total Development Costs

Figures H 4-1 and H 4-2 summarizes total costs per site square footage, including construction and soft cost estimates for the four prototypes compiled by Century | Urban. Based on the cost estimates for the residential prototypes shown in Figures H 4-1 and H 4-2, the cost to construct a single-unit home in Santa Clara County ranges from approximately \$936 to \$1,060 per square foot. The cost to construct an apartment project in Santa Clara County range from \$748 to \$755 per square foot. These estimates account for the cost of land.

Figure H 4-1: Total Development Costs: Single-Family

Total Development Costs - San Mateo and Santa Clara Counties

Large numbers rounded to nearest \$'000 or nearest \$'0,000

	Single Family Small		Single Family Large	
	Total	\$ / SF	Total	\$ / SF
Prototype Elements				
1) Gross Residential Square Feet	2,600		5,000	
Hard Costs				
1) Residential Hard Costs	\$1,040,000	\$400	\$2,500,000	\$500
2) Site improvements and utilities				
3) Grading and erosion control				
4) Parking Hard Costs				
5) Contingency 5%	\$52,000	\$20	\$125,000	\$25
Total Hard Costs	\$1,092,000	\$420	\$2,625,000	\$525
Soft Costs				
1) Soft Costs 25.0%	\$270,000	\$104	\$660,000	\$132
2) City Fees	\$75,000	\$29	\$75,000	\$15
3) Soft Cost Contingency 5%	\$20,000	\$8	\$40,000	\$8
Total Soft Costs	\$365,000	\$133	\$775,000	\$147
% of hard costs	33%		30%	
Land Costs	Total	Per SF Bldg	Total	Per SF Bldg
1) Land Costs - San Mateo	\$1,030,000	\$396	\$1,030,000	\$206
2) Land Costs - Santa Clara	\$1,320,000	\$508	\$1,320,000	\$264
Single Family Land Cost Range				
SFH Land - Lower Price Tier	\$210,000	\$81	\$210,000	\$42
SFH Land - Middle Price Tier	\$730,000	\$281	\$730,000	\$146
SFH Land - Higher Price Tier	\$2,510,000	\$965	\$2,510,000	\$502
Total Development Cost - San Mateo	\$2,487,000	\$949	\$4,430,000	\$878
Total Development Cost - Santa Clara	\$2,777,000	\$1,060	\$4,720,000	\$936

Total Development Cost by Range of Land Cost

Single Family - Lower Land Price Tier	\$1,667,000	\$633	\$3,610,000	\$714
Single Family - Middle Land Price Tier	\$2,187,000	\$833	\$4,130,000	\$818
Single Family - Higher Land Price Tier	\$3,967,000	\$1,518	\$5,910,000	\$1,174

Source: Century Urban, LLC; April 2022. San Mateo and Santa Clara Counties Development Cost & San Mateo County Unit Mix Research.

Figure H 4-2: Total Development Costs: Multi-Family

Total Development Costs - San Mateo and Santa Clara Counties

Large numbers rounded to nearest \$'000 or nearest \$'0,000

		Multi-Family Small			Multi-Family Large		
		Total	\$ / SF	\$ / Unit	Total	\$ / SF	\$ / Unit
Prototype Elements							
1)	Gross Residential Square Feet	10,000			93,750		
2)	Parking Square Footage	3,750			40,000		
3)	Parking Type	Surface Lot			Standalone above grade		
4)	Units	10			100		
5)	Avg Net SF / Unit	850			750		
6)	Efficiency	85%			80%		
Hard Costs							
1)	Residential Hard Costs	\$4,150,000	\$415	\$420,000	\$39,840,000	\$425	\$400,000
2)	Site improvements and utilities	\$605,000			\$1,165,000		
3)	Grading and erosion control	\$110,000			\$335,000		
4)	Parking Hard Costs	\$100,000	\$28		\$4,800,000	\$120	
5)	Contingency 5%	\$250,000	\$21	\$21,000	\$2,310,000	\$21	\$20,000
Total Hard Costs		\$5,215,000	\$522	\$521,500	\$48,450,000	\$517	\$484,500
Soft Costs							
1)	Soft Costs 25.0%	\$1,303,750	\$130	\$130,000	\$12,110,000	\$129	\$120,000
2)	City Fees	\$350,000	\$35	\$35,000	\$2,800,000	\$30	\$28,000
3)	Soft Cost Contingency 5%	\$80,000	\$8	\$8,000	\$750,000	\$8	\$7,500
Total Soft Costs		\$1,733,750	\$165	\$165,000	\$15,660,000	\$159	\$148,000
% of hard costs		33%			32%		
Land Costs		Total		Per Unit			Per Unit
1)	Land Costs - San Mateo	\$1,000,000		\$100,000	\$10,000,000		\$100,000
2)	Land Costs - Santa Clara	\$600,000		\$60,000	\$6,000,000		\$60,000
Range of Land Costs							
Apts/Condo- Lower Price Tier		\$400,000		\$40,000	\$4,000,000		\$40,000
Apts/Condo- Middle Price Tier		\$800,000		\$80,000	\$8,000,000		\$80,000
Apts/Condo- Higher Cost Tier		\$1,600,000		\$160,000	\$16,000,000		\$160,000
Total Development Cost - San Mateo		\$7,948,750	\$795	\$786,500	\$74,110,000	\$791	\$732,500
Total Development Cost - Santa Clara		\$7,548,750	\$755	\$746,500	\$70,110,000	\$748	\$692,500
Total Development Cost by Range of Land Cost							
Apts/Condo- Lower Land Price Tier		\$7,348,750		\$726,500	\$68,110,000		\$672,500
Apts/Condo- Middle Land Price Tier		\$7,748,750		\$766,500	\$72,110,000		\$712,500
Apts/Condo- Higher Land Price Tier		\$8,548,750		\$846,500	\$80,110,000		\$792,500

Source: Century Urban, LLC; April 2022. San Mateo and Santa Clara Counties Development Cost & San Mateo County Unit Mix Research.

4.2.3 Requests for Housing Developments at Reduced Densities

New State Housing Element law now requires the non-governmental constraints analysis to evaluate developer requests to build at densities below the density identified in the Housing

Element sites inventory. In Morgan Hill, properties generally develop at or above the allowed density (such as with a density bonus).

4.2.4 Length of Time between Project Approval and Applications for Building Permits

New State Housing Element law now also requires an examination of the length of time between receiving approval for a housing development and submittal of an application for building permits. The time between application approval and building permit issuance is influenced by a number of factors, none of which are directly impacted by the City. Factors that may impact the timing of building permit issuance include: required technical or engineering studies; completion of construction drawings and detailed site and landscape design; securing construction and permanent financing; and retention of a building contractor and subcontractors.

In Morgan Hill, most approved projects are constructed in a reasonable time period. Projects with entitlements nearly always move forward with construction, the one recent exception being an approved three-story mixed-use building and 15 residential units, consisting of twelve attached single-family homes and three condominium units in the mixed-use building (SR2016-0017 Monterey-Gunter) at 17620 Monterey Road (APN 726-23-008). As a small city, Morgan Hill staff have the advantage of working closely with applicants through the review and approval process, thereby helping to expedite the issuance of building and zoning permits. Furthermore, the City's contract with its building plan check consultant includes a requirement that the first plan check for development projects be completed within two weeks, whereas the Building Division's standard has been four weeks for a large residential master plan review and two weeks for an individual dwelling.

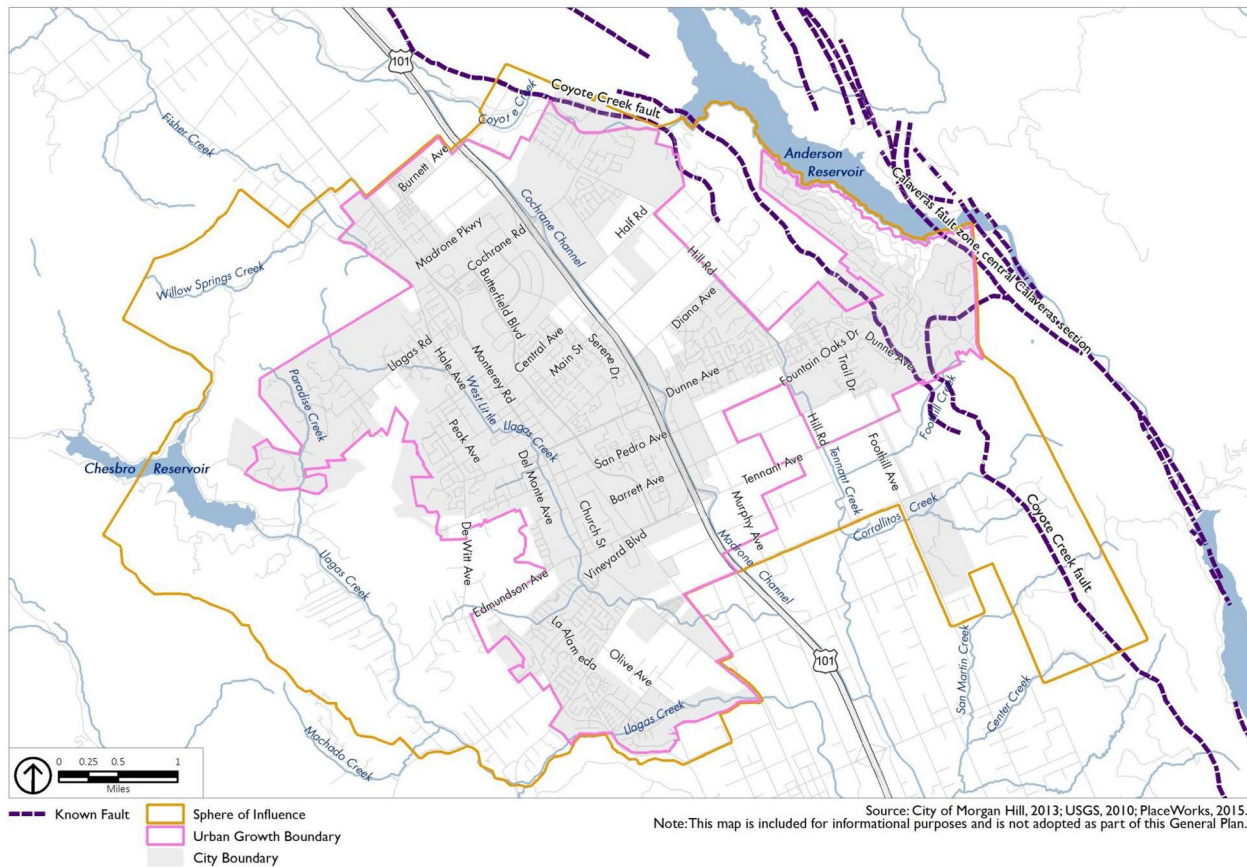
Building Permits are generally issued within two years of a project getting entitled. For example, Sunsweet (SR2017-0004 Depot-Sunsweet), a mixed-use building complex project consisting of 83 apartment units, was entitled in April of 2017 with building permits for the project's 83-units issued in May of 2018.

4.2.5 Environmental Constraints

The environmental setting affects the feasibility and cost of residential development. Environmental issues range from the suitability of land for development, the provision of adequate infrastructure and services, as well as the cost of energy. Morgan Hill currently encompasses about 8,256 acres of land. The majority of the parcels in the City's boundary are developed. Most of the undeveloped parcels are in areas surrounding El Toro in the central-western boundary of the City and in the central-eastern portion of the City near the Jackson Oaks neighborhood. These areas contain environmental constraints on development, such as steep slopes, landslide hazards, fire hazards, or flood hazards, and therefore, much of the undeveloped land has been set aside as open space. The following are environmental constraints and hazards that affect, in varying degrees, existing and future residential developments.

Seismic Hazards

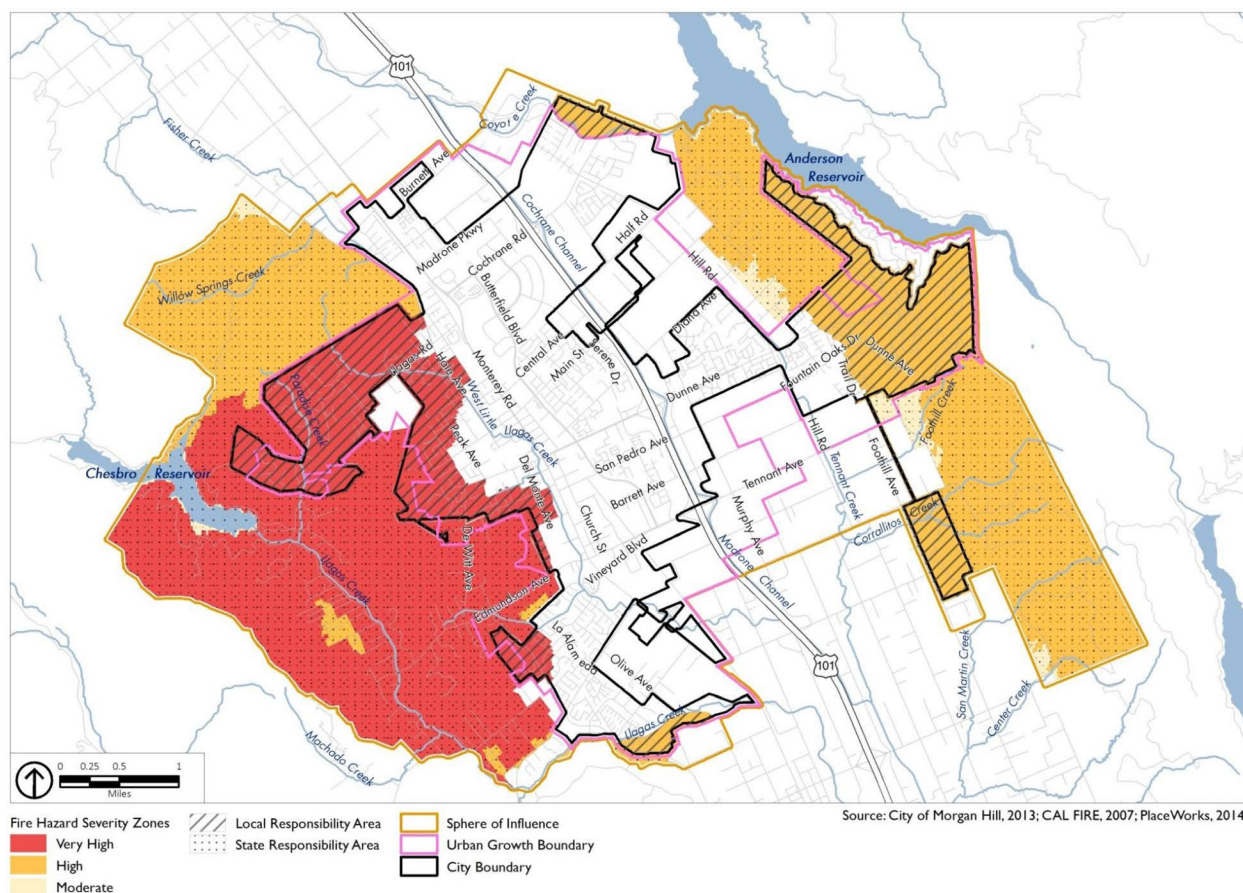
The Coyote Creek fault and Calaveras fault zone is located near the eastern boundary of the City. Major problems could result from ground shaking, which is likely to be amplified in the areas underlain by relatively unconsolidated deposits, especially in the eastern part of the City. Liquefaction is also a possibility in these areas. There is potential for landslides on all slopes; however, site-specific investigations can differentiate the degree of risk.

Figure H 4-3: Earthquake Faults

Fire Hazards

Much of the open space, hillside area of Morgan Hill is located along the western and eastern borders of the city. There is higher potential for fire in these areas including grass or wildland fires as shown in Figure H 4-4. The risk in these areas is compounded by limited emergency access to open space areas and, in some cases, by insufficient fire hydrants/water flow to meet fire-fighting requirements. The Safety, Services, and Infrastructure Element of the General Plan sets forth approaches to reduce this risk in developed areas and in the design and location of new development in the hillsides.

Figure H 4-4: Fire Hazard Severity Zones

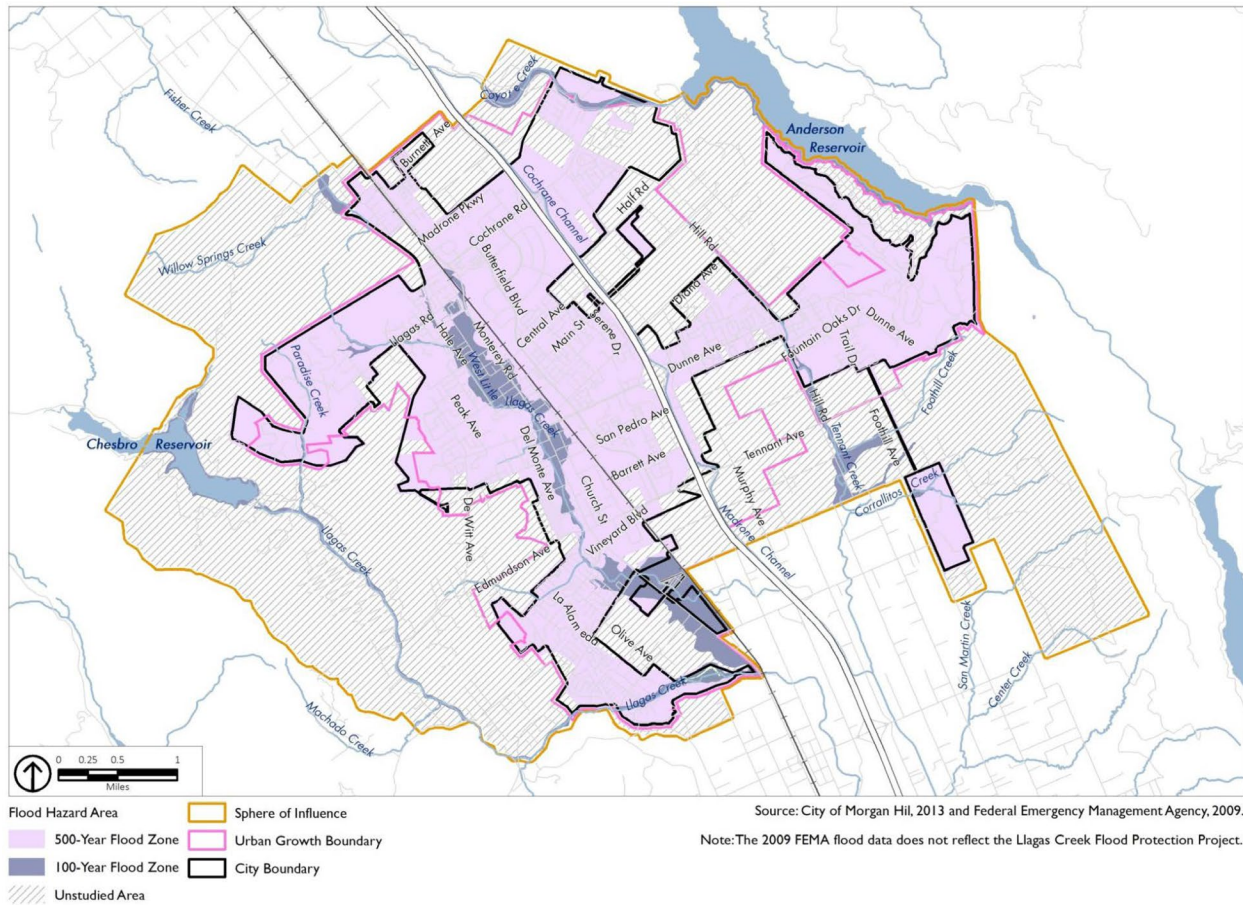


Flood Hazards

All of the creeks in the city have flooding potential. Federal Emergency Management Agency (FEMA) standards govern development in the 100-year floodplain (see Figure H 4-5) and floodways. A 100-year floodplain is the area next to a river or stream with a 1 percent or greater chance of being flooded in any year. A 500-year floodplain is the area next to a river or stream with a 0.2 percent chance of being flooded in any year. A floodway, a smaller area within the floodplain, is a river or stream and the area within immediate proximity of a river or stream that is capable of conveying the 100-year flood with no more than a 1-foot rise in water.

Development in the floodplain and floodway must be controlled because it can increase flooding hazards by raising water levels upstream and by adding flow, velocity, and debris downstream. Figure H 4-5 shows both 100-year and 500-year FEMA flood zones.

Figure H 4-5: FEMA Flood Zones



4.3 Governmental Constraints

Governmental policies and regulations can result in both positive and negative effects on the availability and affordability of housing. This section, as required by Government Code Section (a)(5), describes City policies and regulations that could potentially constrain the City's ability to achieve its housing goals. Potential constraints to housing include land use controls (through General Plan policies and zoning regulations), development standards, infrastructure requirements, development impact fees, and the development approval processes. While government policies and regulations are intended to serve public objectives and further the public good, the City of Morgan Hill recognizes that its actions can potentially constrain the availability and affordability of housing to meet the community's future needs.

4.3.1 Land Use Controls

Land Use General Plan Designations

A city's Comprehensive General Plan is the constitution for development within the community. The City and Neighborhood Form Element, one of the seven State mandated elements of the General Plan, sets forth the city's goals, policies, and programs for guiding physical development within the city. The Transportation, Natural Resources and Environment, and Safety, Services,

and Infrastructure Elements help determine land use areas within the community. The Housing Element has become a significant component in shaping the land use makeup within the community. State law also requires that the General Plan be internally consistent, and that zoning and development standards be consistent with the General Plan. While the General Plan is general in nature, its implementation, through zoning, subdivision, and other development codes are more specific.

The City's Land Use Element provides for the following range of intensities for residential development:

- ❖ Residential Estate, up to 1 unit/acre
- ❖ Residential Detached Low, up to 4 units/acre
- ❖ Residential Detached Medium, up to 7 units/acre
- ❖ Residential Detached High, 6-12 units/acre
- ❖ Residential Attached Low, 6-16 units/acre
- ❖ Residential Attached Medium, 16-24 units/acre
- ❖ Residential Downtown, 24-46 units/acre
- ❖ Mixed Use, per adopted Downtown Specific Plan
- ❖ Mixed Use Flex, 7-24 units/acre

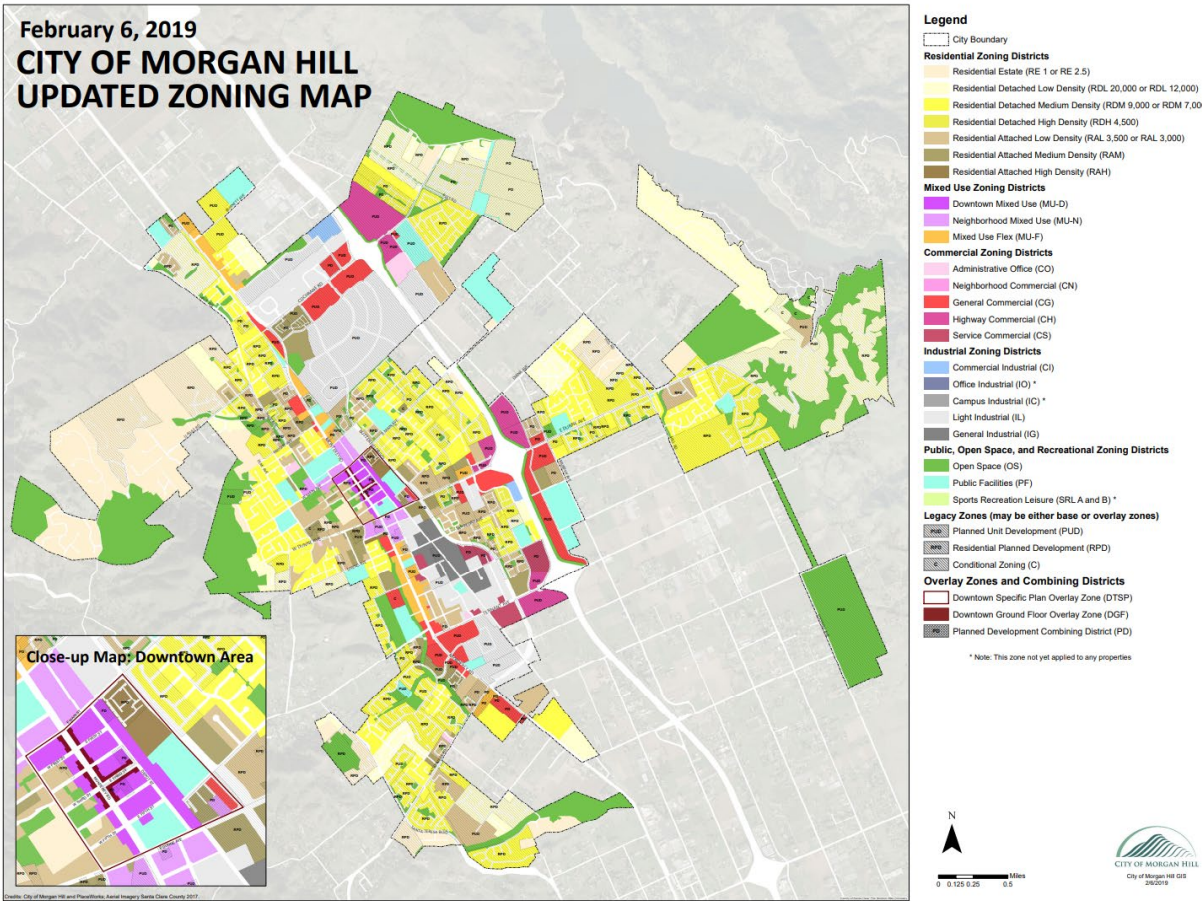
Morgan Hill is illustrative of how the availability of sufficient sites for multi-family development can outweigh zoning regulations as a determining factor of whether such development, including affordable housing, occurs. As the City's zoning map below reflects, most of the City's residentially zoned land is zoned for single-family homes. Nonetheless, multi-family zoned areas are sufficient to ensure that there are enough permitted developments in the pipeline for Morgan Hill to meet its RHNA targets at all income levels for the 6th Housing Element cycle. At the same time, as identified in the Affirmatively Furthering Fair Housing (AFFH) Appendix, the relative lack of land zoned for multi-family housing in the eastern portion of the City is a concern, and relatively stringent maximum heights and density limits for multi-family housing could curb multi-family housing development and affordable housing development in the future if developers' cost constraints change.³ Regionally, exclusionary zoning is a much more significant issue as many high resource cities accommodate far less multi-family development than Morgan Hill has. However, the City has implemented the following measures to create opportunities for affordable housing development in the eastern portions of the city and the need to consider changes to multi-family development standards in the future:

- Action HE-3.A** Identify opportunities and sites for affordable housing development in eastern Morgan Hill.
- Action HE-3.B** Study the creation of affordable housing overlay districts in advance of the next Housing Element cycle.

3

[https://library.municode.com/ca/morgan hill/codes/code of ordinances?nodeId=TIT18ZO_DIVIZOCO_CH18.18REATZODI_18.18.030DEST](https://library.municode.com/ca/morgan%20hill/codes/code%20of%20ordinances?nodeId=TIT18ZO_DIVIZOCO_CH18.18REATZODI_18.18.030DEST)

Figure H 4-6: City of Morgan Hill Zoning Map



4.3.2 Development Standards

The City's Zoning Code implements the General Plan and contains development standards for each zoning district consistent with the land use designations of the General Plan. The City adopted a comprehensive update of the Zoning Code to provide consistency with the 2035 General Plan. Table H 4-2 illustrates Morgan Hill's residential General Plan Designations and corresponding Zoning Districts.

Table H 4-2 Base Zoning Districts		
<i>Zoning District Symbol</i>	<i>Name of Zoning District</i>	<i>General Plan Designation</i>
RE 10	Residential Estate (10 acre lots)	Residential Estate
RE 2.5	Residential Estate (2.5 acre lots)	
RE 1	Residential Estate (1 acre lots)	
RDL 20,000	Residential Detached Low Density (20,000 sq. ft. lots)	Residential Detached Low
RDL 12,000	Residential Detached Low Density (12,000 sq. ft. lots)	
RDM 9,000	Residential Detached Medium Density (9,000 sq. ft. lots)	Residential Detached Medium
RDM 7,000	Residential Detached Medium Density (7,000 sq. ft. lots)	
RDH 4,500	Residential Detached High Density (4,500 sq. ft. per lots)	Residential Detached High
RAL 3,500	Residential Attached Low Density (3,500 sq. ft. per unit)	Residential Attached Low
RAL 3,000	Residential Attached Low Density (3,000 sq. ft. per unit)	
RAM	Residential Attached Medium Density (2,000 sq. ft. per unit)	Residential Attached Medium
RAH	Residential Attached Hight Density (1,100 sq. ft. per unit)	Residential Downtown
MU-D	Downtown Mixed Use	Downtown Mixed Use
MU-N	Neighborhood Mixed Use	
MU-F	Mixed Use Flex	Mixed Use Flex

The General Plan and Zoning Code provide for the following residential and mixed-use land use designation zones:

- ❖ **Residential Estate.** This designation is intended to promote and encourage a suitable environment for families living on relatively large parcels of land. Concentrated along the western and southern City borders, the Residential Estate designation allows single-family homes, accessory dwelling units, appropriate agricultural uses, and associated community services and facilities. The maximum allowable density is 1 unit per net acre.
- ❖ **Residential Detached Low.** The Residential Detached Low designation is intended to accommodate families in suburban single-family homes, including manufactured homes on medium-sized parcels. Accessory dwelling units are allowed under this designation. The highest concentrations of the Residential Detached Low designation are at the eastern City limit, especially in the hills near the Anderson Reservoir. This designation allows up to 4 units per net acre.
- ❖ **Residential Detached Medium.** Residential Detached Medium areas allow detached homes on smaller lots, including courtyard homes, manufactured homes, and small-lot single-family homes. Accessory dwelling units are allowed under this designation. Up to 25 percent of the total number of units in a project in the Residential Detached Medium designation may be duets. The Residential Detached Medium designation is dispersed throughout the City, often providing a transition from nonresidential areas to lower-density neighborhoods. The largest areas with this designation are centered around East Dunne Avenue and West Main Avenue between Highway 101 and the railroad. This designation allows up to 7 units per net acre.
- ❖ **Residential Detached High.** The Residential Detached High designation is intended to accommodate detached single-family homes on small lots at a density of 6 to 12 units per

net acre. This land use is meant to serve as a transition between single-family and multi-family land uses. Up to 25 percent of the total number of units in a project in the Residential Detached High designation may be duets.

- ❖ **Residential Attached Low.** The Residential Attached Low designation is primarily meant to accommodate attached homes including duplexes/duets, courtyard homes, townhomes, and garden apartments. Up to 25 percent of a Residential Attached Low site may include small-lot single family detached homes when those units are located adjacent to an existing single family detached neighborhood. Residential Attached Low areas generally are located in or next to existing residential neighborhoods and close to commercial corridors, including West Dunne Avenue and Monterey Road. This designation allows 6 to 16 units per net acre.
- ❖ **Residential Attached Medium.** This designation allows attached housing types including townhomes, garden apartments, and stacked flats. Pockets of Residential Attached Medium are primarily centered around the Downtown. Frequently found near commercial areas that in part serve the adjacent residents, this designation accommodates 16 to 24 units per net acre, most of which are townhomes, apartments, or condominiums.
- ❖ **Residential Downtown.** Small pockets of Residential Downtown, the highest-density residential designation is centered around Downtown and the commuter rail station. Development within this area must be supportive of transit oriented design. This designation allows 24 to 46 units per net acre, most of which are apartments or condominiums.
- ❖ **Mixed Use.** Applied in accordance with the Downtown Specific Plan, this designation applies to the majority of the parcels in and around the core of the Downtown area, especially parcels along Monterey Road and all the parcels between Monterey Road and Depot Street. It is intended to encourage a mixture of retail uses and residences. Consistent with the adopted Downtown Specific Plan, the Mixed Use designation generally allows a density between 8 to 20 units per net acre, except for the Central Business District (CBD), where there is no maximum or minimum density.
- ❖ **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 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.

Morgan Hill's residential development standards are summarized in Tables H 4-3 through H 4-8.

Table H 4-3 Residential Estate (RE) District Development Standards

<i>Site Requirements</i>	<i>RE-10</i>	<i>RE-2.5</i>	<i>RE-1</i>
Lot Area, Minimum	10 acres	2.5 acres	1 acre
Lot Width, Minimum	200 ft.	150 ft.	100 ft.
Lot Depth, Minimum	200 ft.	150 ft.	100 ft.
Building Coverage, Maximum	15%	25%	30%
<i>Structure Requirements</i>	<i>RE-10</i>	<i>RE-2.5</i>	<i>RE-1</i>
Setbacks, Minimum			
Front	50 ft.	50 ft.	25 ft.
Rear	50 ft.	25 ft.	25 ft.
Interior Side	50 ft.	25 ft.	20 ft.
Street Side	25 ft.	15 ft.	15 ft.
Height, Maximum	30 ft.	30 ft.	30 ft.

Table H 4-4 Residential Detached Low and Medium Density District Development Standards

<i>Site Requirements</i>	<i>RDL-20,000</i>	<i>RDL-12,000</i>	<i>RDM-9,000</i>	<i>RDM-7,000</i>
Lot Area, Minimum				
Single-Family Lot	20,000 sq. ft.	12,000 sq. ft.	9,000 sq. ft.	7,000 sq. ft.; 7,500 sq. ft. for corner lots
Corner Duet Lot			4,200 sq. ft.	3,500 sq. ft.
Lot Width, Minimum				
Single-Family Lot	100 ft.	75 ft.	70 ft.	60 ft.
Corner Duet Lot			40 ft.	40 ft.
Lot Depth, Minimum	100 ft.	100 ft.	85 ft.	85 ft.
Building Coverage, Maximum	40%	40%	50%	50%
<i>Structure Requirements</i>	<i>RDL-20,000</i>	<i>RDL-12,000</i>	<i>RDM-9,000</i>	<i>RDM-7,000</i>
Setbacks, Minimum				
Front	25 ft.	25 ft.	First Story: 20 ft. Upper Stories: 25 ft.	First Story: 20 ft. Upper Stories: 25 ft.
Rear	25 ft.	25 ft.	First Story: 20 ft. Upper Stories: 25 ft.	First Story: 20 ft. Upper Stories: 25 ft.
Interior Side	15 ft.	First Story: 10 ft. Upper Stories: 15 ft.	First Story: 5 ft. Upper Stories: 12.5 ft.	First Story: 5 ft. Upper Stories: 12.5 ft.
Street Side	15 ft.	15 ft.	15 ft.	15 ft.
Height, Maximum	30 ft.	30 ft.	30 ft.	30 ft.

Table H 4-5 Residential Detached High Density District Development Standards	
<i>Site Requirements</i>	<i>RDH-4,500</i>
Lot Area, Minimum	
Single-Family Detached Lots	4,500 sq. ft.
Corner Single-Family Detached Lots	5,000 sq. ft.
Duet Lots	3,500 sq. ft.
Lot Width, Minimum	
Lots Less Than 5,000 sq. ft.	40 ft.
Lots 5,000 sq. ft. or greater	50 ft.
Lot Depth, Minimum	85 ft.
Floor Area Ratio, Maximum	52%
<i>Structure Requirements</i>	<i>RDH-4,500</i>
Setbacks, Minimum	
Front	First Story: 15 ft. Upper Stories: 20 ft.
Rear	15 ft.
Interior Side	First Story: 10 % of lot width Upper Stories: 15% of lot width
Street Side	9 ft.
Height, Maximum	35 ft.

Table H 4-6 Residential Attached Low Density District Development Standards		
<i>Site Requirements</i>	<i>RAL-3,500</i>	<i>RAL-3,000</i>
Lot Area, Minimum		
Duplex Lots	7,000 sq. ft.	6,000 sq. ft.
Duplex Corner Lots	7,500 sq. ft.	6,500 sq. ft.
Duet Lots	3,500 sq. ft.	3,000 sq. ft.
Duet Corner Lots	3,750 sq. ft.	3,250 sq. ft.
Multi-Family and Other Uses	3,500 sq. ft.	3,000 sq. ft.
Lot Width, Minimum		
Duplex Lots	70 ft.	70 ft.
Duplex Corner Lots	80 ft.	80 ft.
Duet and Single-Family Attached Lots	30 ft.	30 ft.
Duet and Single-Family Attached Corner Lots	40 ft.	40 ft.
Lot Depth, Minimum	85 ft.	85 ft.
Building Coverage, Maximum	50%	50%
Site Area per Dwelling Unit, Minimum	3,500 sq. ft.	3,000 sq. ft.
<i>Structure Requirements</i>	<i>RAL-3,500</i>	<i>RAL-3,000</i>
Setbacks, Minimum		
Front	20 ft.	20 ft.
Rear	15 ft.; or 20 ft. for two-story, located adjacent to a single-family district	15 ft.; or 20 ft. for two-story, located adjacent to a single-family district
Interior Side	5 ft.	5 ft.
Street Side	15 ft.	15 ft.
Height, Maximum	30 ft.	30 ft.

Table H 4-7 Residential Attached Medium Density and High Density District Development Standards

<i>Site Requirements</i>	<i>RAM</i>	<i>RAH</i>
Lot Area, Minimum	6,000 sq. ft.; 4,500 sq. ft. for corner lots	6,000 sq. ft.; 6,500 sq. ft. for corner lots
Lot Width, Minimum	60 ft.	40 ft.
Lot Depth, Minimum	85 ft.	75 ft.
Building Coverage, Maximum	60%	60%
Site Area per Dwelling Unit, Minimum	2,000 sq. ft.	1,100 sq. ft.
<i>Structure Requirements</i>	<i>RAM</i>	<i>RAH</i>
Setbacks, Minimum		
Front	15 ft.	15 ft.
Rear	20 ft.	15 ft.
Interior Side	5 ft.	5 ft.
Street Side	15 ft.	15 ft.
Height, Maximum	3 stories or 40 ft., whichever is less; min. 10 ft. for roof element on 3 story structure	3 stories or 40 ft., whichever is less; min. 10 ft. for roof element on 3 story structure

Table H 4-8 Mixed Use Zoning District Development Standards

<i>Site Requirements</i>	<i>MU-D</i>		<i>MU-N</i>		<i>MU-F</i>	
Lot Area, Minimum	3,500 sq. ft.		6,000 sq. ft.		6,000 sq. ft.	
Lot Width, Minimum	40 ft.		60 ft.		60 ft.	
Lot Depth, Minimum	80 ft.		100 ft.		100 ft.	
Floor Area Ratio, Maximum	2.0		1.0		0.5	
Residential Density						
Minimum	None		8 du/acre		7 du/acre	
Maximum	None		20 du/acre		24 du/acre	
Building Coverage, Maximum	None		75%		50%	
<i>Structure Requirements</i>	<i>MU-D</i>		<i>MU-N</i>		<i>MU-F</i>	
Setbacks	Res.	Non-Res.	Res.	Non-Res.	Res.	Non-Res.
Front	Min: 6 ft. Max: 15 ft.	Min: 0 ft. Max: 10 ft.	Min: 6 ft. Max: 15 ft.	Min: 0 ft. Max: 10 ft.	Min: 15 ft. Max: None	Min: 10 ft. Max: None
Rear, Minimum	0 ft.	10 ft.	0 ft.	10 ft.	20 ft.	10 ft.
Interior Side, Minimum	5 ft.	0 ft.	5 ft.	0 ft.	5 ft.	0 ft.
Street Side, Minimum	6 ft.	0 ft.	6 ft.	0 ft.	10 ft.	10 ft.
Height, Maximum	3 stories and 45 ft.		35 ft.		35 ft.	

Downtown Specific Plan

The Downtown Specific Plan, adopted in 2009, provides a long-term strategy for revitalizing central Morgan Hill by strengthening Downtown as the gathering place, a connecting force, the social and activity heart of Morgan Hill. A place where residents from all segments of the community can live, work, meet, shop, dine and participate in public celebrations, and share in the richness of Morgan Hill's community life. The primary urban design goals and objectives addressed by the Downtown Specific Plan include:

- ❖ Creating an active Downtown village through intensifying residential, retail, restaurant, and entertainment uses, within an urban setting improved with unified landscaping and streetscape improvements;
- ❖ Making Monterey Road and Third Street more pedestrian and retail friendly, and improve other roads with better street lighting and streetscape improvements;
- ❖ Strengthening Downtown's identity and scale with new design related to a traditional character; and
- ❖ Creating visual and physical linkages to Downtown with landscaping, bike paths and entry area features; and with linking downtown commercial uses to common parking areas available to the general public.

Monterey Corridor Form-Based Code

The City of Morgan Hill is in the process of preparing a Draft Form-Based Code (FBC) for the Monterey Corridor. The City of Morgan Hill is guided by several key policy and regulatory documents to manage future growth. Adopted by the City Council in July 2016, the Morgan Hill 2035 General Plan establishes a vision for a prosperous, vibrant city supported by a framework of goals, policies, and actions that guide the City's decisions for the next two decades. The Morgan Hill Downtown Specific Plan, adopted in November 2009, complements the General Plan, ensuring that residential and commercial development standards support the community's vision for a vibrant and accessible Downtown village. The General Plan vision for the Monterey Corridor is as follows:

"North and south of Downtown will transform from its current predominantly strip commercial character to a vibrant mixed-use corridor that encourages walking and biking. Buildings will front onto the street and a range of commercial and office uses will be located within close proximity to attached residential units. Density will decrease with distance from Downtown."

State law also continues to influence the City's growth and development. Legislation that facilitates and accelerates the development of housing, with an emphasis on affordable housing, will play a role in shaping municipal policies, permit processes, and development standards for years to come.

In light of the visions and policies of the 2035 General Plan and the Morgan Hill Downtown Specific Plan, the draft Monterey Corridor Form-Based Code (FBC) proposes to facilitate development that complies with local requirements and State law. The draft FBC is also intended to build on the success of public and private investments in Downtown, which has become a cherished community gathering place and a desirable tourist destination, all supported by a pedestrian-oriented, mixed-use built environment. The draft FBC is meant to expand on Downtown's success along the Corridor, encouraging walking, biking, a mix of uses, and a range of housing options consistent with the General Plan.

Regulations and standards in a Form-Based Code are presented graphically in simple diagrams and photographs as well as supplemental text. While Form-Based Codes focus on an intended physical form, they also regulate use by allowing a mix of appropriate land uses chosen to ensure compatibility among different contexts and the intended physical form of the area. The standards ultimately shape the relationship between building facades and the public realm (i.e., the public and private space between buildings), the form and mass of buildings in relation to one another, and the scale and type of blocks.

The draft FBC establishes development standards that are objective and implement the community vision, emphasizing pedestrian-oriented building form and streamlined housing development with an appropriate mix of uses. The draft FBC is designed with a user-friendly organizational structure, where City staff and community members can easily navigate and recognize the standards and requirements that apply to the applicable development site. The draft FBC proposes the following three Form-Based Zoning Districts within the FBC:

Neighborhood Form-Based (FB-N). A variety of housing opportunities that are accessible to a range of income levels in a walkable environment with neighborhood-serving retail and services.

Corridor Form-Based (FB-C). Variable intensities of infill and redevelopment with a mix of walkable uses, such as retail, service, and commercial, that are sensitive to the scale and character of the area.

Urban General Form-Based (FB-UG). Mixed-use commercial and residential hubs with a variety of uses and clustered job opportunity centers. Accessible corridors and streets with internal block patterns and an improved pedestrian experience transitioning from an auto-centric environment to a walkable environment.

These three Form-Based Zoning Districts are keyed to a plan, referred to as a Regulating Plan, that functions like a zoning map, assigning an appropriate form-based zone to specific lots. The proposed Regulating Plan boundary, in which the FBC would apply to, generally includes parcels adjacent to Monterey Road within the City limit, excluding the Downtown Specific Plan Area and parcels south of Watsonville Road (see Figure H 4-7 below). The boundary extends north and south of Downtown from approximately Main Ave north to Burnett Ave and from approximately Dunne Ave south to Rome Ave.

Figure H 4-7: Draft Monterey Corridor Form-Based Code Regulating Plan



Local Ordinances

State law now requires jurisdictions to analyze in their Housing Elements any locally adopted ordinances that directly impact the cost and supply of residential development. The City of Morgan Hill has an Inclusionary Housing Ordinance (Chapter 14.04 Inclusionary Housing) which is analyzed in the following section and a Residential Development Control System (Chapter 18.156 of the Municipal Code), which was suspended until 2030 pursuant to Senate Bill 330 and Senate Bill 8, is analyzed below.

The historical backdrop to Morgan Hill's unique housing story began in 1977, when the voters adopted the Residential Development Control System (RDCS), a smart growth residential pacing policy. This was done in response to the community's concern for the amount and pace of residential growth and its impacts on city services and infrastructure. While RDCS limited the number of residential homes to 215 building permits per year, it did more than manage growth. It was a well-designed, intentional program that effectively incentivized and prioritized affordability in most developments in Morgan Hill. For 40 years, RDCS worked as a "de facto" Inclusionary Housing Ordinance, incentivizing the creation of high-quality, affordable housing throughout the entire city. The pacing of residential development with services (or smart growth) continued through a city-initiated ballot, Measure S, which was approved in November of 2016 and effective March 2017.

The RDCS program provided an opportunity for developers to compete for allocations to build housing based upon a competition system that paced growth with infrastructure development and revenue streams. Points were awarded for park lands and open space, safe routes to schools, proximity to the downtown businesses and services. Points were awarded for providing affordable housing. Additionally, the program encouraged developers to offer a wide range of housing types and sizes in their proposals. Through RDCS, Morgan Hill has been able to obtain a significant amount of affordable housing, developer fees, and other public benefits that it is no longer able to obtain.

Major housing legislation began in 2017 with a package of 15 new housing laws that address the state's critical housing shortage. On top of that, more than 45 laws of significance have been adopted since the 2017 housing package. These include changes in Housing Element requirements, a focus on streamlining housing production, creating ministerial approval processes, and constraining local land use authority to increase supply. In 2018, as suspected, RDCS was suspended when Governor Newsom signed Senate Bill 330 ("SB 330") into law, effective as of January 1, 2020. SB 330 enacted Government Code Section 66300, the "Housing Crisis Act of 2019". The Housing Crisis Act preempts and precludes the enforcement of RDCS while the State of California's Housing Crisis Act is in effect. The HAA establishes the state's overarching policy that a local government may not deny, reduce the density of, or make infeasible housing development projects, emergency shelters, or farmworker housing that are consistent with objective local development standards. The legislature amended the HAA to expand and strengthen its provisions to effectively curb the capacity of local governments to deny, reduce the density, or render housing development projects infeasible via the following laws: (2017) Senate Bill 167, Assembly Bill 678, Assembly Bill 1515; (2018) Assembly Bill 3194; (2019) Senate Bill 330 and (2021) Senate Bill 8.

In 2018, the City of Morgan Hill adopted an Inclusionary Housing Ordinance (IHO) requiring residential developments to provide 15% of the units outside of Downtown, and 10% of the units in Downtown, as part of the City's efforts to create and maintain an income-based housing inventory of Below Market Rate (BMR) units to archive the City's housing goals. Due to the passage of Senate Bill (SB) 330, the IHO is a result of the loss of the City's Residential

Development Control System (RDCS) growth management program which has been the mechanism for the City to obtain BMR housing units for many years.

The IHO was amended in December 2021 to clarify the intent to broaden the first-time homebuyer pool to include households whose gross annual income ranges from 110% of the AMI to 120% of the AMI; thus, maintaining a moderate ownership program with a sales price that is capped at 110%. This work originally began when the City retained Keyser Marston & Associates (KMA) to evaluate:

1. The additional financial cost to new for-sale residential projects to provide the deeper levels of on-site affordable units with the original consideration of adding lower income units to the BMR IHO ownership program requirement; and
2. The evaluation of proposed changes to current in-lieu fee levels that would approximate the cost of providing the proposed deeper levels of on-site affordable units.

KMA identified opportunities to deepen the overall level of affordability of for-sale inclusionary units. KMA prepared a report summarizing the findings of the evaluation. Staff held a workshop with KMA and the development community on May 24, 2021, to discuss the possibility of deepening the overall level of affordability of for-sale inclusionary units. The consensus from the development community was that adding lower-income units to the ownership program is not economically feasible due to high construction costs, the uncertainty of the pandemic, and the overall economic implications to a project. KMA also did not recommend adding low-income ownership to the Inclusionary Program. Although the analysis by KMA was supportive in helping the team arrive at the final recommendations, the work and the recommendations have continued to evolve throughout the process.

As housing workshops were held with the City Council and community from May through June 2021, it resulted in a shift in priorities in the Housing Program. The City Council prioritized meeting the City's RHNA at all affordability levels to ensure income-based inclusivity.

The City, like all cities and counties, has historically struggled to achieve the RHNA goals for very low-income units and extremely low-income units. With the priority set to meet the very low-income goal earlier in this next 6th Housing Element planning cycle (2023-2035), the City's Housing team used this opportunity to further amend the Inclusionary Housing Ordinance to address the City Council's goal of finding opportunities to meet the very low and extremely low-income goal. To that end, the Inclusionary Housing Ordinance has been modified to create needed flexibility to best use the program to meet the RHNA requirements, while at the same time deepening the affordability of the built BMR units.

As part of the 2021 IHO update, the two main changes to the IHO would permit, by right, up to 50% of the affordable housing requirement to be satisfied with an in-lieu fee. This fee would provide the City with a funding mechanism to support projects that produce units that contribute to meeting the RHNA goals and achieve its very low income and extremely low-income goals. The second significant change clarifies that the sales price for moderate-income units is based on an affordability level of 110% of AMI.

At the Planning Commission's hearing, two programmatic suggestions were discussed. The first notion was to consider allowing the BMR homeowners with a 45-year agreement to exit the BMR Program early if they have paid off their 30-year mortgage. This would allow the BMR home to be sold at the market value. While the BMR Program allows individuals/families to enjoy home ownership security at a much-reduced cost with lower consistent stable mortgages and property tax benefits, BMRs in Morgan Hill have not been intended to serve as the way a family achieves investment or significant asset building. Staff acknowledges that each homeowner's journey is different, and some families may certainly choose to stay in their BMR for 45 years or more;

however, the City also expects and counts on the fact that some families will choose to move on, providing a resale opportunity for the next income-qualified family. Allowing the exit of the BMR program early, would impact the City's BMR inventory and limit the City's ability to continue to have a robust income-based housing inventory. Allowing for an early sale of the BMR at market-rate would not be consistent with the intent of the City's BMR goals, which is to create a path to a first-time homebuyer opportunity, not a "forever home." A change to the contract terms based on an attempt to increase value or equity for one household would likely reduce a good number of BMR homes in the Program, as well as future resale families for additional families. Therefore, it was not recommended that the City consider altering contracts but rather to continue to focus on the preservation of affordable units.

The second item that was brought up by the Planning Commission was the consideration of Commercial Linkage Fees (CLF). CLF is a type of fee that some cities add to new commercial or industrial development to offset a portion of the need for affordable housing created by new jobs. While CLFs are commonly used in job-rich cities, they would disincentivize commercial development. Morgan Hill currently struggles with the high cost of green field development. Commercial and Industrial development in Morgan Hill requires a certain amount of investment that provides for the high cost of infrastructure. Therefore, given the high impact fees in Morgan Hill, a Commercial Linkage Fee was not adopted in the 2021 IHO update. However, the City acknowledges the need to reevaluate CLF in the future.

The following is a summary of the notable changes from the 2018 IHO to the updated 2021 IHO:

1. **In-Lieu Fee Election for One-Half of Required Inclusionary Units.** Developers may elect to satisfy the applicable requirements (For-sale in Downtown, For-sale Outside Downtown, Rental Projects in Downtown and Rental Projects outside Downtown) by paying an in-lieu fee for up to one-half of the number of required inclusionary units and constructing the remaining required inclusionary units for their remaining affordability requirement. If the required number of inclusionary units results in a fractional number, the provisions of the preceding paragraph regarding payment of a fee shall apply to the fractional unit. These funds would provide the City with the ability to leverage outside funding sources to build very low-income and extremely low-income units.
2. **In-lieu fee schedule.** Fees will be automatically increased for inflation.
3. **"Affordable Sales Price" defined.** Moderate-Income units that are built would be priced for households whose gross annual income does not exceed 110% of AMI.
4. **Accessory Dwelling Units (ADUs).** ADU's constructed within for-sale projects will not be counted toward satisfaction of the requirement to construct inclusionary units. ADU's are not deed restricted for affordability and the City cannot require them to be rented out.
5. **Alternatives.** For developers who choose an alternative method for complying with the IHO, the City is requiring a deeper level of affordability or a higher number of units built to benefit the City.
6. **Incentives.** Section 14.04.120 related to incentives to building on-site inclusionary housing units was removed as these are available automatically through State Density Bonus Law.

Although the City recently updated its Inclusionary Housing Ordinance, the City recognizes that there is a need to revisit the IHO during the 6th Housing Element cycle to ensure that the IHO is meeting its objectives, is functional, and to further evaluate the needs to provide affordable housing for all segments of the community. In addition, currently, the City's Inclusionary Housing Ordinance requires the provision of units affordable to moderate-income households in for-sale developments. Requiring that developers achieve deeper owner-occupied affordability through

cross-subsidization and existing incentives may not be effective. However, the City could seek to bridge the gap between inclusionary for-sale units and low-income households by providing financial support. Therefore, the City has implemented the following measures to further evaluate the Inclusionary Housing Ordinance:

Policy HE-2.19 Commercial Linkage Fee. Consider new commercial and industrial development to meet the housing demand they generate, particularly the need for affordable housing for lower-income workers, through a Commercial Linkage Fee Ordinance or similar mechanism.

Action HE-3.G Review the Inclusionary Housing Ordinance to provide deeper for-sale affordability beyond the updated 2021 Inclusionary Housing Ordinance.

4.3.3 Building Codes and Code Compliance

Building codes regulate the construction of dwellings and apply to plumbing, electrical, and mechanical systems as well as other aspects of construction. The purpose of building codes and their enforcements is to protect the public from unsafe conditions associated with faulty construction. As of January 1, 2020, the City of Morgan Hill required all new development to comply with the California 2019 Building Standards Code and applicable code amendments. Building code modifications and City code compliance practices are described below.

Prohibition of Natural Gas Infrastructure in New Buildings

The City of Morgan Hill enforces State building code standards (Title 24) for all structures subject to the code, including the construction and rehabilitation of housing. In 2019, the City of Morgan Hill adopted Chapter 15.63 (Prohibition of Natural Gas Infrastructure in New Buildings) pursuant to Ordinance No. 2306 N.S. requiring all new buildings to rely solely on electricity as their energy source if they apply for a building permit after March 1, 2020.

Emissions from natural gas combustion, and propane in areas unserved by natural gas, have become the largest source of greenhouse gas emissions associated with buildings. These emissions make up about one-third of the greenhouse gas emissions in our region. Of these emissions in a typical dwelling, about 49% come from water heating, 37% from space heating, and 7% from cooking, with the remainder being pool heating, clothes drying, etc. While the exact numbers for nonresidential buildings vary widely with the type of occupancy, the aggregate nonresidential numbers are 32% for water heating, 36% for space heating, 23% for cooking, and 9% miscellaneous.

Although natural gas was considered superior to electricity because it was more efficient in the past, this is no longer the case. Three modern electric appliances (heat pump water heaters, heat pump space heaters, and induction cooktops) now offer enhanced efficiency and performance.

In terms of construction costs, avoiding the installation of gas pipelines into a development can save approximately \$7,000 per unit. While the increased cost of installing larger electrical transformers will reduce the net savings, depending on the location, all-electric construction is expected to be less expensive on average.

On the operational cost side, it is difficult to definitively determine whether an all-electric building will cost more or less to operate because the relative costs of electricity and natural gas fluctuate over time. What is certain is that property owners have the opportunity to own their own solar energy systems, which can offset some or all of their electricity use, and the same cannot be said for their natural gas use. The only practical way to “zero-out” a gas utility bill is to rely solely on electricity.

Lastly, all-electric homes are considered substantially safer than their dual-fuel counterparts because there are no emissions within the home from gas combustion and there are no gas pipes that can leak due to wear, age, or earthquake.

Code Compliance

Building safety standards are upheld through the Code Compliance section of the Building Division utilizing the 2018 International Property Maintenance Code. In the last three years, data reflecting prevalence of residential habitability issues, such as mold, vermin, broken windows, non-functioning utilities, etc. have indicated that there were 19 code enforcement violations that involved health and safety issues. City enforcement removed these hazardous and dangerous situations. The expanded use of this program has helped to address building condition issues before they progress to conditions requiring demolition or substantial rehabilitation, and to promote the exploration of rehabilitation opportunities before demolition.

Based on efforts to use code enforcement as a tool to catch problems before they require more extensive repairs or demolition, building code and code compliance practices and regulations by the City of Morgan Hill are not considered to represent a constraint to the provision of housing or affordable housing in the City.

4.3.4 Infrastructure Requirements

Various City departments implement on- and off-site improvement requirements, including standards for street construction, sidewalks, curbs, gutters, on-street parking and bicycle lanes. Residential development may also necessitate constructing water, sewer, and drainage improvements. All improvements are generally required as conditions of approval and are developer financed. Complying with certain infrastructure improvements may be perceived as a constraint on the provision of housing for all income levels.

For infill projects, the City Code requires the construction of standard improvements that may include repair of defective sidewalks, construction of standard driveways, and maneuvering areas. The Code also requires dedication and improvement of full-street or alley frontages. Section 12.02.190 (Exceptions) of Chapter 12.02 (Street and Sidewalk Development) of Title 12 (Streets, Sidewalks and Public Places) of the Municipal Code allows the Planning Commission to recommend that the City Council authorize conditional exceptions to any of the requirements and regulations of Chapter 12.02 (Street and Sidewalk Development).

Although infrastructure requirements represent a cost to developing housing, these improvement standards are not unreasonable nor do they represent a significant constraint.

4.3.5 Jurisdiction Fees

Like cities throughout California, the City of Morgan Hill collects development fees to recover the capital costs of providing the required citywide infrastructure that supports increased development and the administrative cost associated with processing applications.

New housing typically requires payment of the following fees: building permits, school impact, fire sprinkler permit, solar permit, meter deposit, water impact, sewer impact, storm drain impact, traffic impact, park impact, public facilities impact, library impact, community/recreation center impact, public safety impact, and burrowing owl mitigation fees. These fees are necessary to pay for services rendered during the processing of the project, but can, however, add to housing costs. In addition, subdivisions and multi-family projects may incur the cost of preparing environmental documentation, traffic studies, soils reports, and filing fees for tentative and final maps. These are requirements of California law. In addition, multi-family projects may require a Conditional Use

Permit, Design Permit, a SB 330 Preliminary application, and a Santa Clara Valley Habitat Agency Review Fee. Such fees are typically based on the rates of city employees (including overhead) and the number of hours spent processing the application or performing the associated work.

A recent Santa Clara County Planning Collaborative analysis in April 2022, performing a regional fee comparison, showed that the City of Morgan Hill's impact fees typically fall just under the average when compared with other jurisdictions in the region. The City's fees are not considered a constraint on housing production. Table H 4-9 summarizes the total fees (entitlement fees, building permits, and impact fees) per unit by jurisdiction for all local jurisdictions within Santa Clara County, including the City of Morgan Hill, that contribute to the overall cost of development which apply to new residential construction as found in the Santa Clara County Planning Collaborative analysis. The residential prototypes used in this analysis include a 2,600 square foot single-family dwelling, a 10-unit multi-family building, and a 100-unit multi-family building.

Table H 4-9 Total Fees per Unit (by Jurisdiction)			
<i>Jurisdiction</i>	<i>Single Family</i>	<i>Small Multi-Family</i>	<i>Large Multi-Family</i>
Campbell	\$72,556	\$20,599	\$18,541
Cupertino	\$136,596	\$77,770	\$73,959
Gilroy	\$69,219	\$40,195	\$39,135
Los Altos Hills	\$146,631	N/A	N/A
Los Gatos	\$32,458	\$5,764	\$3,269
Milpitas	\$77,198	\$74,326	\$59,740
Monte Sereno	\$33,445	\$4,815	\$4,156
Morgan Hill	\$55,903	\$41,374	\$36,396
Mountain View	\$90,423	\$69,497	\$82,591
San Jose	\$9,919	\$23,410	\$23,410
Santa Clara	\$14,653	\$6,733	\$2,156
Saratoga	\$64,272	\$17,063	\$15,391
Sunnyvale	\$133,389	\$126,673	\$98,292
Unincorporated County	\$25,166	N/A	N/A

4.3.6 On- and Off-Site Improvements

The City has developed Design Standards and Standard Details for Construction in alignment with Title 12 (Streets, Sidewalks, and Public Places) of the Morgan Hill Municipal Code to ensure that minimum levels of design and construction quality are maintained, and adequate levels of street improvements are provided. Per the Design Standards and Standard Details for Construction, typical residential streets must be 60 feet wide to accommodate the right of way, including a minimum of five feet for sidewalks. Street sections may be modified for infill. Lane widths are to be no less than 10 feet unless otherwise approved by the City Engineer. The Design Standards and Standard Details for Construction have a potential to affect housing costs but are necessary to provide a minimum level of design and construction quality in the City's neighborhoods.

4.3.7 Permit Processing

The City of Morgan Hill meets or exceeds State-required timelines for the approval of development permits; and when compared to other local jurisdictions within Santa Clara County, Morgan Hill is on par for the amount of time to process development permits, as shown in Table H 4-10. The time required for development approval is not generally a constraint or substantial

cost to housing developers. Further descriptions of permits and their processing procedures are provided in the following subsections.

Table H 4-10 Permit Processing Times, in Months (by Jurisdiction)						
<i>Jurisdiction</i>	<i>ADU Process</i>	<i>Ministerial By-Right</i>	<i>Discretionary By-Right</i>	<i>Discretionary (Hearing Officer)</i>	<i>Discretionary (Planning Commission)</i>	<i>Discretionary (City Council)</i>
Campbell	1	1	3	NA	5	1
Cupertino	1 – 3	1 – 6	2 – 4	2 – 4	3 – 6	1 – 3
Gilroy	1 – 2	1 – 2	2 – 4	NA	4 – 5	1 – 2
Los Altos Hills	1 – 2	0.5 – 2	2 – 3	3 – 4	4 – 6	1 – 2
Los Gatos	No data	3 – 6	1 – 2	2 – 4	4 – 6	No data
Milpitas	3 – 5	4 – 6	2 – 3	6 – 18	NA	3 – 5
Monte Sereno	0.75	0.75	1	1 – 2	1 – 2	0.75
Morgan Hill	1 – 2	1 – 3	2 – 3	2 – 3	4 – 6	1 – 2
Mountain View	3 – 5	4 – 6	2 – 3	6 – 18	NA	3 – 5
San Jose	2	1 – 3	7	7	7 – 11	2
Santa Clara	0 – 1	0 – 1	0 – 3	4 – 9	6 – 9	0 – 1
Saratoga	1	1 – 2	2 – 3	NA	4 – 6	1
Sunnyvale	1 – 3	1 – 3	3 – 6	6 – 9	9 – 18	1 – 3
Unincorporated County	4 – 6	6 – 8	9 – 12	12 – 15	15 – 18	4 – 6

Senate Bill 35

Senate Bill (SB) 35, passed in 2017, requires jurisdictions that have not approved enough housing projects to meet their RHNA to provide a streamlined, ministerial entitlement process for housing developments that incorporate affordable housing. Per SB 35, review and approval of proposed project's with at least 50 percent affordability must be based on objective standards and cannot be based on subjective design guidelines. However, to be eligible, projects must also meet a long list of other criteria, including prevailing wage requirements. In order for applicants to take advantage of SB 35, per Government Code Section 65913.4 (10)(b)(1)(a)(et seq.) they need to submit a Notice of Intent and jurisdictions need to give Native American tribes an opportunity for consultation. The City of Morgan Hill has developed a Notice of Intent form consistent with the law. Additionally, the City Council adopted "Residential Development Design and Development Standards" to meet the requirements of objective standards that are consistent with the Morgan Hill 2035 General Plan.

Senate Bill 330

Senate Bill (SB) 330, Housing Crisis Act of 2019, prohibits cities and counties from enacting a development policy, standard, or condition that would impose or enforce design standards that are not objective design standards on or after January 1, 2020 [Government Code Section 663300 (b)(C)]. The bill also established specific requirements and limitations on development application procedures.

Per SB 330, housing developers may submit a "preliminary application" for a residential development project. Submittal of a preliminary application allows a developer to provide a specific subset of information on the proposed housing development before providing the full amount of information required by the local government for a housing development application.

Submittal of the preliminary application secures the applicable development standards and fees adopted at that time. The project is considered vested and all fees and standards are frozen, unless the project changes substantially.

The City of Morgan Hill has developed a preliminary application form consistent with SB 330. In addition, the bill limits the application review process to 30 days, for projects less than 150 units, and 60 days, for projects greater than 150 units, and no more than five total public hearings, including planning commission, design review, and city council.

SB 330 also prohibits cities and counties from enacting a development policy, standard, or condition that would have the effect of: (A) changing the land use designation or zoning to a less intensive use or reducing the intensity of land use within an existing zoning district below what was allowed on January 1, 2018; (B) imposing or enforcing a moratorium on housing development; (C) imposing or enforcing new design standards established on or after January 1, 2020, that are not objective design standards; or (D) establishing or implementing certain limits on the number of permits issued or the population of the city or county.

Design Permit

Design Permits are required for projects that are not eligible for ministerial review. A design permit is a discretionary action that enables the City to ensure that proposed development exhibits high quality design consistent with the General Plan and any other applicable Specific Plan or Area Plan adopted by the City Council. The design permit process is also intended to ensure that new development and uses are compatible with their surroundings and minimize negative impacts on neighboring properties. The Development Services Director reviews and acts on all Design Permit applications, except the Director may elevate any Design Permit application to the Planning Commission for review and final decision. In addition, the City Council shall review and act on all design permit applications for new City projects determined to be significant; and the Planning Commission shall act on any Design Permit applications determined to be significant. The Design Permit process is described in the City's Zoning Ordinance under Section 18.108.040 (Design Permit) of Chapter 18.108 (Specific Permit Requirements).

Design Permits are required for the following types of projects:

- ❖ Three or more new residential units.
- ❖ One or more new residential unit on a sensitive site
- ❖ New non-residential buildings, structures physical site improvements determined to be significant.
- ❖ Additions to existing buildings, structures, or other physical site improvements visible from a public right-of-way and determined to be significant. Single-family homes are exempt unless the home is on a sensitive site.
- ❖ Additions to existing residences located on a sensitive site.
- ❖ Site alterations that change the topography of the currently developed site area on a sensitive site.
- ❖ Relocation of existing buildings, structures or other physical site improvements.
- ❖ Exterior changes to existing buildings, structures or other site improvements determined to be significant. Single-family homes are exempt unless the home is on a sensitive site.
- ❖ Grading of more than fifty cubic yards on slopes greater than ten percent.
- ❖ New accessory structures including secondary dwelling units or guest homes on a sensitive site.

Conditional Use Permit Process

Housing is allowed by-right in most zones as a permitted use. Conditional use permits (CUPs) are only required for Group Homes, Nursing Homes and Long-Term Care, and Residential Care Facilities as well as most housing uses in the MU-F zoning district. An Administrative Use Permit is required for Live/Work units in the MU-N and MU-F zoning districts. The CUP process is described in the City's Zoning Ordinance under Section 18.108.030 (Conditional Use Permits) of Chapter 18.108 (Specific Permit Requirements). A CUP is required for land uses that are generally appropriate within a district, but potentially undesirable on a particular parcel or in large numbers. A CUP is a discretionary action that enables the Planning Commission to ensure that a proposed use is consistent with the General Plan and will not create negative impacts to adjacent properties or the general public. An Administrative Use Permit has the same meaning as a CUP but grants discretion to the Development Resources Director. The Administrative Use Permit process is described in the City's Zoning Ordinance Under Section 18.108.020 (Administrative Use Permit).

4.3.7 Zoning for a Variety of Housing Types

Housing Element law specifies that jurisdictions identify adequate sites to be made available through appropriate zoning and development standards to encourage the development of various types of housing for all economic segments of the population, including multi-family rental housing, manufactured housing, accessory dwelling units, single room occupancies, emergency shelters, and transitional and supportive housing. Table H 4-11 summarizes the variety of housing types permitted within Morgan Hill's zoning districts.

Table H 4-11 Permitted Residential Land Uses by Zoning District									
Key	RE	RDL	RDM	RDH	RAL	RAM	RAH	MU-N	MU-F
<i>P</i> Permitted Use									
<i>A</i> Administrative Use Permit									
<i>C</i> Conditional Use Permit									
– Use not allowed									
Accessory Dwelling Unit	P	P	P	P	P	P	P	P	P
Duets	-	-	P	P	P	P	P	P	C
Duplexes	-	-	-	-	P	P	P	P	C
Emergency Shelters								-	C
Group Housing	-	-	-	-	C	C	C	C	C
Live/Work Unit	-	-	-	-	-	-	-	A	A
Mixed Use Residential	-	-	-	-	-	-	-	P	P
Multi-Family Dwellings	-	-	-	-	P	P	P	P	C
Nursing Homes and Long-Term Care	-	-	-	-	C	C	C	C	C
Residential Care Facilities	-	-	-	-	C	C	C	C	C
Residential Care Facilities, Small	P	P	P	P	P	P	P	P	P
Senior Housing, Independent Living	-	-	-	-	-	-	-	P	C
Single-Family Attached Dwellings	-	-	-	-	P	P	P	P	C
Single-Family Detached Dwellings	P	P	P	P	P	P	P	P	C

Manufactured Housing

State law requires that cities and counties allow the placement of manufactured homes (also referred to as factory-built homes and modular homes) meeting Federal construction standards

and manufactured home subdivisions in single-unit neighborhoods.⁵ Government Code Sections 65852.3 through 65852.5 require that manufactured homes be permitted in single-unit districts subject to the same land use regulations as conventional homes. In keeping with State law, Section 18.124.020 of Morgan Hill's Zoning Code specifies that manufactured housing is considered a single-family dwelling and is subject to the same property development and design standards in the same residential zones as dwellings.

Accessory Dwelling Units

Over the last several years the State legislature has passed a series of bills aimed at encouraging single-family homeowners to add Accessory Dwelling Units ("ADUs" also known as "second units" or "granny flats") to their property by requiring local jurisdictions to adopt regulations to facilitate their production and streamline their approval. ADUs are complete independent housing units that can be either detached or attached from an existing single-family or multi-family residence. In December 2019, the Morgan Hill City Council adopted Ordinance No. 2313 amending Chapter 18.84 (Accessory Dwelling Units) of the Zoning Ordinance consistent with State laws.

Housing for Persons with Disabilities

SB 520, signed into law in 2001, requires that Housing Elements analyze the potential and actual governmental constraints on the development of housing for persons with disabilities. The City must demonstrate its efforts to remove constraints such as accommodation procedures for the approval of group homes, ADA retrofit efforts, and evaluation of the zoning code for ADA compliance. The Housing Element should provide measures that provide flexibility in the development of housing for persons with disabilities.

As noted in the Special Needs section of the Housing Needs Assessment, persons with disabilities have a number of housing needs related to accessibility of dwelling units; access to transportation; employment and commercial services; and alternative living arrangements that include on-site or nearby supportive services. The City of Morgan Hill ensures that new housing developments comply with California building standards (Title 24 of the California Code of Regulations) and federal requirements for accessibility. The following is a description of City regulations, policies, and procedures that support housing opportunities for people with disabilities.

Residential Care Facilities

State law requires that State-licensed group homes of six or fewer residents be regulated in the same manner as single-unit residences for zoning purposes. The City of Morgan Hill Zoning Code allows group homes with six or fewer residents (called "Residential Care Facilities, Small" in the City code) by right in zones that permit single-unit dwellings (RE, RDL, RDM, RDH, RAL, RAM, RAH, and MU-N) consistent with State law as well in the MU-F zoning district. Group homes with more than six residents (defined by the City code as "Residential Care Facilities") are permitted with a Conditional Use Permit in the following zoning districts: RAL, RAM, RAH, MU-N, and MU-F.

Definition of Family

Historically zoning codes have included narrow definitions of the term family that have been used to deny housing opportunities for unrelated individuals. Although the City's Zoning Code defines 'Family' as, "An individual or group of individuals living together who constitute a bona fide single housekeeping unit in a dwelling unit. 'Family' does not include a group of individuals occupying a hotel or lodging house of any kind," the City does not use the term family to discriminate against unrelated persons with disabilities living together.

Universal Design

Universal design focuses on making homes safe and accessible for everyone, regardless of age, physical ability, or stature. Universal design features can include grab bars, no step entries, and wider doorways. Other features could include accessible bedrooms, bathrooms, and kitchens; and general amenities like lever door handles and rocker light switches. Although the City does not have a universal design ordinance, the City has identified two Policies within the Housing Element to encourage and promote universal design for people with disabilities and allow older adults to age in place, maximizing on visitability and building upon Title 24.

Policy HE-6.1 Work with Affordable Housing Developers to Encourage Universal Design. Encourage universal design and maximize visitability, building on Title 24.

Policy HE-6.12 Universal Design in New Housing. Strive to achieve universal design in new residential housing units to provide housing for people with disabilities and allow older adults to age in place.

Reasonable Accommodation Ordinance

Both the federal Fair Housing Act and the California Fair Employment and Housing Act impose an affirmative duty on local governments to make Reasonable Accommodations (i.e., modifications or exceptions) in their zoning and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. For example, it may be a Reasonable Accommodation to allow covered ramps in the setbacks of properties that have already been developed to accommodate residents with mobility impairments.

The City of Morgan Hill has a process to ensure that reasonable accommodations are made for persons with disabilities. The process, codified in Chapter 18.118 of the Zoning Code, was established to provide people with disabilities a way to ensure that their needs are met by the City's zoning, building, and permitting process.

Emergency Homeless Shelters

State law (Government Code section 65583) requires each jurisdiction to identify one or more zoning districts where emergency homeless shelters are allowed without a discretionary permit. The jurisdiction must demonstrate in the Housing Element that the zoning provides sufficient capacity on available sites to meet the shelter needs of the local homeless population, as identified in the most recent point-in-time count.

Within the Zoning Ordinance, Chapter 18.124 (Land Use Definitions) defines Emergency Shelters as "housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay." Emergency Shelters are permitted by right in the PF (Public Facilities) zoning district and allowed with a Conditional Use Permit within the MU-F (Mixed Use Flex) zoning district.

State law (Government Code Section 65583(a)(4)) limits the development standards and locational restrictions that can be applied to emergency shelters. Emergency shelters may only be subject to those development and management standards that apply to residential or commercial development within the same zone except that a local government may apply written, objective standards that include all of the following:

- ❖ the maximum number of beds or persons permitted to be served nightly by the facility;
- ❖ sufficient parking to accommodate all staff working in the emergency shelter, provided that the standards do not require more parking for emergency shelters than other residential or commercial uses within the same zone;

- ❖ the size and location of exterior and interior onsite waiting and client intake areas;
- ❖ the provision of onsite management;
- ❖ the proximity to other emergency shelters, provided that emergency shelters are not required to be more than 300 feet apart;
- ❖ the length of stay;
- ❖ lighting; and
- ❖ security during hours that the emergency shelter is in operation.

Section 18.92.050 (Emergency Shelters) of Chapter 18.92 (Supplemental Standards) of the Zoning Ordinance requires the following minimum performance standards:

- ❖ The number of beds shall be limited to thirty.
- ❖ Parking requirements shall be either one space per three hundred square feet of habitable floor area, or sufficient to serve the parking demand determined in a study prepared by the applicant and approved by the development services department.
- ❖ The size of outdoor waiting areas shall be sufficient to accommodate the expected number of clients without infringing upon the public right-of-way.
- ❖ On-site management shall be provided during the hours that the emergency shelter is in operation.
- ❖ An emergency shelter shall be located at least three hundred feet from other emergency shelters.
- ❖ The length of stay at any emergency shelter shall not exceed ninety days, unless the management plan provides for longer residency by those enrolled and regularly participating in a training or rehabilitation program.
- ❖ Exterior lighting of the property shall be designed to provide a minimum maintained horizontal illumination of at least one foot candle of light on parking surfaces and walkways that serve the facility.
- ❖ Security shall be provided during the hours that the emergency shelter is in operation.

Capacity of Emergency Homeless Shelters

Government Code Section 65583(a)(4)(A) requires the Housing Element to address new planning and approval requirements for emergency shelters and to determine if sufficient capacity to accommodate the need for emergency shelter identified in the most recent point-in-time count conducted before the start of the planning period. Jurisdictions with an unmet need for emergency shelters for the homeless are required to identify a zone(s) where emergency shelters will be allowed as a permitted use without a conditional use or other discretionary permit. The identified zone must have sufficient capacity to accommodate the shelter need, and at a minimum provide capacity for at least one year-round shelter. Permit processing, development and management standards for emergency shelters must be objective and facilitate the development of, or conversion to, emergency shelters.

The 2019 Santa Clara County Homeless Census and Survey Report point-in-time count identified 114 unsheltered homeless individuals within the Morgan Hill city limits. As described above, Emergency Shelters are permitted by right in the PF (Public Facilities) zoning district and allowed with a Conditional Use Permit within the MU-F (Mixed Use Flex) zoning district. Within the City, there are 5.7 acres of vacant land zoned PF where emergency shelters would be allowed by-right. These sites have a maximum capacity for 120 beds. Therefore, these sites theoretically

have sufficient capacity for shelters to accommodate the 114 unsheltered individuals on the night of the 2019 point-in-time count.

In addition, an inclement cold weather shelter has been established at Community Christian Church, located at 305 W. Main Ave in Morgan Hill. Also, Morgan Hill Bible Church operates a homeless safe parking program for 8 families, 30 people maximum, at 15055 Monterey Road within the City.

Low Barrier Navigation Centers

Assembly Bill 101, passed in 2019, requires that a low barrier navigation center be a use permitted by right in mixed-use zones and non-residential zones permitting multi-unit uses if it meets specified requirements. AB 101 defines “low barrier navigation center” as a housing first, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing. The Housing Element includes an implementation program to amend the Zoning Code to comply with this new requirement.

Action HE-5.A Amend the Zoning Code by 2024 to facilitate by-right processing procedures for Low Barrier Navigation Centers consistent with Assembly Bill 101.

Transitional/Supportive Housing

Transitional housing is defined as temporary housing (generally six months to two years) for a homeless individual or family who is transitioning to permanent housing. This housing can take several forms, including group housing or multi-family units, and typically includes a supportive services component to allow individuals to gain necessary life skills in support of independent living.

Supportive housing is generally defined as permanent, affordable housing with onsite services that help resident’s transition into stable, more productive lives. Services may include childcare, after-school tutoring, career counseling, etc.

The Morgan Hill Zoning Code accommodates transitional housing and supportive housing as “Residential Care Facilities” as a conditional use within several zoning districts (RAL, RAM, RAH, MU-N, and MU-F).

Per recent changes in State law (AB 2162), the City must also allow 100 percent affordable projects that include 25 percent, or 12 units of supportive housing, by right where multi-unit and mixed-use development is permitted. Therefore, the Housing Element includes an implementation program to comply with this new provision of State law.

Action HE-5.B Amend the Zoning Code by 2024 to facilitate by-right transitional and supportive housing where multi-unit and mixed-use development is permitted consistent with Assembly Bill 2162.

Housing for Agricultural Workers

Farmworkers are traditionally defined as persons whose primary incomes are earned through seasonal agricultural work. Farmworkers have special housing needs because they earn lower incomes than many other workers. The housing needs of this group are addressed under Morgan Hill’s overall programs for affordability. Although little agricultural activity remains within the Morgan Hill City limits, the greater region includes agricultural activity that attracts farmworkers and their families. The City recognizes the need to provide housing affordable to farmworkers and agricultural employees and is committed to assisting in providing this need by implementing several policies regarding prioritizing farmworker/agricultural employee housing.

- Policy HE-2.21 Prioritize Farmworker Housing.** Establish farmworker housing as an affordable housing priority within the City.
- Policy HE-2.23 Farm Worker Housing Advocacy.** On an ongoing basis, advocate for federal, state, and County funding for farmworker/agricultural employee housing, including housing that meets the needs of the County's agricultural industry and its workers.
- Policy HE-2.24 Partner with Developers.** Continue to work with non-profit developers and employers to develop innovative housing solutions for farmworkers and agricultural employees and identify and pursue all potential funding sources and assist owners and developers in applying for funding.

The provisions of Section 17021.5(b) of the California Health and Safety Code state that employee housing for six or fewer employees must be treated like any other single-unit dwelling. The City does not regulate the occupancy of single unit dwellings and there are no provisions in the City's code to restrict employee housing for six or fewer employees, therefore, the City complies with this requirement.

California Health and Safety Code Section 17021.6, requires that farmworker housing of no more than 36 beds in a group quarters or 12 units shall be deemed an agricultural use. No conditional use permit, zoning variance, or other discretionary zoning clearance shall be required of this housing that is not required of any other agricultural activity in the same zone. The City currently allows Agricultural Labor Accommodations (i.e. farmworker housing) as a conditional use in the OS (Open Space) zone; therefore, the Housing Element includes an implementation program to comply with this provision of State law.

- Action HE-2.A** Amend the Zoning Code by 2024 to facilitate by-right Agricultural Labor Accommodations within the OS (Open Space) zoning district consistent with Section 17021.6 of the California Health and Safety Code.

Appendix H5

Assessment of Fair Housing

City of Morgan Hill Housing Element 2023-2031

DRAFT

Table of Contents

City of Morgan Hill Housing Element

APPENDIX H-7 | Assessment of Fair Housing..... **H-5-i**

5.1 Executive Summary..... H-5-1

5.2 Community Participation Process..... H-5-3

5.3 Fair Housing Analysis..... H-5-8

5.4 Fair Housing Goals and Priorities..... H-5-125

5.4 Contributing Factors Appendix..... H-5-129

DRAFT

APPENDIX H-5 | Assessment of Fair Housing

5.1 Executive Summary

This Assessment of Fair Housing (AFH) is a component of the Housing Element of the City of Morgan Hill. The AFH is intended to provide a holistic look – informed by data, maps, community input, and policy analysis – into the trends and factors affecting access to housing and opportunity on the basis of protected characteristics under federal and state fair housing laws. The federal Fair Housing Act prohibits discrimination on the basis of race, color, national origin, religion, sex, familial status, and disability status. The California Fair Employment and Housing Act adds several additional protected characteristics including, but not limited to, sexual orientation, gender identity, military or veteran status, and source of income. The AFH includes goals and priorities that are intended to foster more integrated communities, reduce disparities in housing (such as higher rates of housing cost burden), and increase access to opportunity by addressing the roots causes of inequality. The City's Housing Element must include an AFH component as a result of A.B. 686, a law passed by the California Legislature in 2018 to incorporate a duty to affirmatively further fair housing (AFFH) into state law. Recipients of federal housing and community development funds have had an AFFH obligation since 1968. Having long received HUD funds as a subgrantee of Santa Clara County, the City's contribution to fair housing planning efforts has historically been channeled through collaboration at the County level.

The City of Morgan Hill is located in the southern portion of Santa Clara County. It is bordered by the unincorporated communities of Coyote to the north and San Martin to the south. The areas to the east and west of the city are primarily comprised of open space. More significantly, downtown Morgan Hill is located just over ten miles north of downtown Gilroy and just over 20 miles south of downtown San Jose. With a population of 44,686 as of the 2015-2019 American Community Survey 5-Year Estimates, Morgan Hill has experienced significant growth in recent decades as Santa Clara County has emerged as the center of the global technology industry.

High and rising housing costs have come with the incredible growth of both Morgan Hill and the Region, and the impact of those high housing costs have not been felt equally by all. Hispanic households, persons with disabilities, and large families all face housing insecurity at higher rates and tend to have less access to the highest resource parts of the Region. Although the Region and Morgan Hill have small Black populations, which makes it difficult to draw some conclusions about disparities, rates of homelessness among the Region's small Black population are shockingly high. For purposes of this AFH, the Region is defined as the San Jose-Sunnyvale-Santa Clara, CA Metropolitan Statistical Area, which consists of Santa Clara and San Benito Counties combined.

In the Region, the most pronounced disparities tend to arise between cities rather than within them. In general, access to opportunity among White and Asian population is highest in the communities that comprise the West Valley. Housing costs in these communities are often prohibitive for disproportionately low-income Hispanic households, in particular, as well as for younger people with disabilities and large families. By contrast, access to opportunity is relatively lower, and Hispanic population is often higher, in downtown and East San Jose as well as in the eastern portions of Gilroy. Many relatively low resource parts of East San Jose also have significant population of Vietnamese ancestry, a community with disproportionately lower income levels in the Region than other Asian ancestry groups.

In most ways, Morgan Hill is not situated on either extreme of these trends. Income levels are similar to those countywide, housing is slightly more affordable, and access to opportunity is moderate in most neighborhoods. With regard to race and ethnicity, Morgan Hill is slightly more

heavily Hispanic and White than the Region and less heavily Asian. Additionally, within Morgan Hill, housing patterns are not highly segregated. Although the eastern portion of the city is slightly more heavily White and less heavily Hispanic than the downtown area, which is home to a large majority of the city's subsidized housing), those differences are modest in comparison to most communities within the Region. Due to its location in the southern portion of Santa Clara County (often called South County), Morgan Hill residents have somewhat limited access to public transportation, less proximity to job centers, and, as a result, longer and more burdensome commutes than many other residents of the Region. All of these issues are addressed across the sections of this AFH, which discuss patterns of segregation and integration, racially and ethnically concentrated areas of poverty, disparities in access to opportunity, disproportionate housing needs, fair housing issues affecting residents of publicly supported housing, fair housing issues affecting persons with disabilities, and trends in fair housing enforcement and outreach. The AFH also assesses potential "contributing factors" that may be the driver of patterns of segregation, disparities and access to opportunity, and other fair housing issues.

It is incumbent on the City of Morgan Hill to take proactive steps, consistent with its AFFH obligation, to address existing disparities in housing and access to opportunity in regional context and to take steps to prevent the emergence of segregated patterns. The goals and priorities below, which are discussed in much greater detail in that section of the AFH, are a roadmap for doing so.

- I. Increase Affordable Housing Opportunities for Protected Class Members in Eastern Morgan Hill.
 - A. Identify opportunities and sites for affordable housing development in eastern Morgan Hill.
 - B. Study the creation of affordable housing overlay districts in advance of the next Housing Element cycle.
- II. Protect Tenants from Displacement.
 - A. Consider adoption of a mediation requirement for rent increases of 5% or more.
 - B. Study the possibility of a tenant relocation assistance ordinance.
 - C. Seek funding or develop paths of support for access to counsel in possessory eviction cases.
 - D. Support shared-equity homeownership models.
 - E. Review the Inclusionary Housing Ordinance to provide deeper for-sale affordability beyond the updated 2021 Inclusionary Housing Ordinance.
 - F. Adopt preferences for tenants who have been displaced from rental housing in Morgan Hill.
- III. Connect Morgan Hill Residents to Employment Opportunities.
 - A. Prioritize the creation of jobs that are accessible to low- and very low-income workers who reside within the Downtown Morgan Hill Priority Development Area (PDA).
 - B. Create incentives for local businesses to hire Morgan Hill residents.
 - C. Advocate for VTA to expand bus service in Morgan Hill.
 - D. Study local first mile/last mile transit service solutions in Morgan Hill building on lessons learned from the first on-call shuttle service established within the City.
- IV. Increase Fair Housing Enforcement, Outreach, and Education in Morgan Hill.

Robust community engagement is essential to the development of an effective AFH, and, in addition to the outreach already conducted, the City welcomes input on this draft and, in particular, on the goals and priorities outlined above. Implementing the City's goals and priorities in the years to come will be a collaborative endeavor on the part of the City, key stakeholders, intergovernmental partners, and, most importantly, residents.

5.2 Community Participation Process

1. The 2022 update of the Housing Element involved an extensive community engagement process. The initial efforts began in May and June of 2021, with a series of workshops that were held to provide a roadmap of past, present, and future housing in Morgan Hill, to communicate how we got here, and to discuss the housing needs of current and future residents. The opportunity was taken to share the mandates for housing production adopted by the State of California in response to the housing crisis, which are geared towards increasing the supply. The initial workshops served as a springboard to leap into a deeper community engagement process. City staff used a variety of methods to solicit public input on the Housing Element update, including distributing three surveys (two pertaining to Assessment of Fair Housing (AFH)), hosting public workshops, providing information at community events, conducting focus groups, giving presentations to the community, and holding several workshops with the community and the Planning Commission. Staff prioritized involvement and engagement of residents and community members that are most directly impacted by the plan and development, especially Latinx, homeless, and other underrepresented or underserved groups.

Community outreach and engagement opportunities were designed to provide a safe engagement process that followed safe public health protocols around COVID-19, and to implement a meaningful engagement process that promoted a sense of ownership and real participation among community members. Staff involved a diverse range of participants, seeking input from the business community, community-based organizations, and other stakeholders.

2. The City of Morgan Hill started the engagement process for the Housing Element in May 2021. Below is a list of meetings and community-based organizations (CBO's) that City staff met with and consulted during the community participation process:

- 5/18/21 What is Affordable Housing 101, Spanish with English (Zoom presentation)
- 5/19/21 All Things Housing Community Workshop (Zoom presentation)
- 5/22/21 All things Housing - In-person
- 5/23/21 Hablando Vivienda con Nuestras Familias En Espanol (Zoom presentation)
- 5/28/21 Agricultural Workforce Housing in South County (Zoom presentation)
- 6/2/21 Community Workshop - State Mandates for Housing Production, City Council Meeting, (Zoom presentation)
- 6/10/21 Town Hall - Creating Inclusive Communities through Design Form, (Zoom presentation)
- 6/16/21 Community Workshop - Housing Affordability, (Zoom presentation)
- 6/23/21 Community Workshop - Housing and Long-term Sustainability, (Zoom presentation)
- 11/11/21 South County Collaborative (Zoom presentation and interactive focus group with 30 CBOs)
- 1/11/22 @ Social Services Agency, South County Staff (Zoom presentation & interactive focus group)
- 1/13/22 Morgan Hill Unified School District (MHUSD) Fawn Meyers HR Director (Zoom interview)
- 1/18/22 Compassion Center Staff (CBO Zoom interactive focus group)
- 1/18/22 COVID Testing day, obtained feedback from attendees
- 1/18/22 Gavilan College South County Basic Needs Staff (CBO Zoom interactive focus group)

- 1/20/22 Parents Helping Parents (CBO Zoom interactive focus group)
- 1/20/22 Digital Nest serving youth in South County (CBO Zoom interactive focus group)
- 1/20/22 Morgan Hill Library (Zoom interactive focus group)
- 1/25/22 Medical Social Worker Valley Health Center and Saint Louise Hospital (Zoom interactive focus group)
- 1/25/22 Richard Prato Director of Human Resources, Christopher Ranch Agriculture Employer (phone interview)
- 1/19/22 Eden Housing (Jasmine Square) Jonathan Crowther James (Affordable Housing Developer Focus Group)
- 1/28/22 St. Vincent De Paul and St. Catherine's (faith based and CBO interactive Zoom interview)
- 1/31/22 Building Back Better, Joint Venture Silicon Valley, Executive Director Quency Phillips (interactive Zoom interview)
- 2/2/22 Catholic Charities, Greg Kepferle (interactive Zoom interview)
- 2/3/22 Employment Development Department (Zoom interview)
- 2/3/22 Saint Joseph's Food Pantry, David Cox (CBO Zoom interview)
- 2/3/22 South County Collaborative Board Members (CBO interactive Zoom focus group)
- 2/3/22 Morgan Hill Bible Church Homeless Safe Park (focus group in person with unhoused families)
- 2/10/22 Townhall Housing Element (Zoom presentation)
- 2/14/22 Silicon Valley Independent Living Center, Patricia Cokes (CBO Zoom interview)
- 2/17/22 Townhall Housing Element (Zoom presentation and community feedback)
- 3/7/22 Silicon Valley @Home (CBO interactive Zoom focus group)
- 3/14/22 Edward Boss Prado Foundation, Cecilia Ponzini (telephone interview)
- 3/21/22 Voices School, (surveying of parents, in-person)
- 3/26/22 Spanish mass at Saint Catherine's (in person surveying)
- 3/27/22 Spanish mass at Saint Catherine's (in person surveying)
- 4/9/22 City Booth at the Farmers' Market/Sidewalk Saturdays

3. The outreach activities elicited broad community participation during the development of the AFH. The City conducted numerous outreach activities to reach all segments of the community and purposely focused on reaching Latinx residents, individuals and families currently housed in affordable housing, homeless, and other underrepresented or underserved groups. The City prioritized outreach by conducting small interactive focus groups with service providers/CBO's via Zoom as outlined above. The City also reached out purposefully to the Latinx community by translating all surveys to Spanish and conducting in person meetings as well as Zoom workshops in Spanish. City staff also conducted outreach during the Spanish mass at St. Catherine's as identified above.

In addition, two AFH surveys were provided (both in English and Spanish), one for Community Based Organizations (in which the City received 25 responses) and another survey geared towards underrepresented or underserved individuals and families (in which the City received 651 responses). The surveys were provided electronically and in hard-copy format to the following organizations and locations:

- Affordable Rental Housing locations

- Cochrane Village
 - Crest Avenue Apartments
 - The Crossings at Morgan Hill
 - The Crossings Monterey
 - Depot-Commons
 - Jasmine Square
 - Murphy Ranch Family Townhomes
 - Royal Court Apartments
 - San Pedro Gardens
 - The Skeel Apartments
 - Terracina at Morgan Hill
 - The Willows Apartments
 - Villa Ciolino
 - Orchards Ranch Scattered Sites
 - Park Place
- CBOs
 - i. Building Back Better, Joint Venture Silicon Valley
 - ii. Catholic Charities
 - iii. Christopher Ranch
 - iv. Destination Home Silicon Valley
 - v. Digital Nest
 - vi. Employment Development Department
 - vii. Eden Housing
 - viii. Gavilan College
 - ix. Morgan Hill Unified School District
 - x. Parents Helping Parents
 - xi. The Compassion Center
 - xii. Morgan Hill Library
 - xiii. Saint Louise Hospital
 - xiv. St. Vincent De Paul
 - xv. St. Catherine's
 - xvi. Saint Joseph's Food Pantry
 - xvii. Silicon Valley @Home
 - xviii. Silicon Valley Independent Living Center
 - xix. Social Services Agency
 - xx. Valley Health Center
 - xxi. Voices School
- Panaderia bakery
- Morgan Hill Senior Center
- Rotary
- Senior Affordable Rental Housing locations
 - i. Sycamore Glen
 - ii. Horizons
 - iii. Bella Terra Apartments
 - iv. The Lodge at Morgan Hill
 - v. The Huntington
- Unhoused individuals through outreach to encampments

Feedback that the City received regarding the outreach conducted was that material and surveys to non-English speakers was lengthy and therefore non-English speakers may not have been as engaged as English speakers or more educated individuals. Therefore, additional steps that might

improve or increase community participation from non-English speakers could be to decrease the length of surveys or other materials to be more compact. In addition, as part of the Housing Element Update, the City will be conducting additional outreach to non-English speakers in-person during a series of open-house style one-on-one or small group meetings called “Cafecito con Edith”.

4. There were several themes that were common among all comments obtained in the community participation process, from both, CBO's as well as individuals.

Comments obtained from CBO's that were developed into Goals for the Housing Element are summarized below:

- Provide a range of housing opportunities affordable to Morgan Hill workforce.
- Promote Extremely Low-Income housing.
- Prevent homelessness and address the housing needs of people experiencing homelessness.
- Establish special needs housing for seniors, persons with disabilities, and veterans.
- Conduct community education/outreach to inform residents about affordable housing and how to seek assistance.

Some specific comments that were brought up by CBO's that were developed into key Policies include:

- An affordable housing overlay district could be used to increase affordable housing.
- Pass a commercial linkage fee ordinance.
- Zone more land and/or change zoning regulations for multi-family to increase affordable housing.
- Pass a rent stabilization ordinance.
- Integrate affordable housing throughout the community.
- Protect residents from displacement.

Common themes obtained in the community participation process among individuals that provided feedback that were developed into Goals or Policies are summarized below:

- Provide a range of housing opportunities affordable to Morgan Hill workforce.
- Prevent homelessness and address the housing needs of people experiencing homelessness.
- Integrate affordable housing throughout the community.
- Ensure that children who grew up in Morgan Hill have housing options so they can live in Morgan Hill as adults.
- Preserve, maintain, and rehabilitate existing housing to ensure neighborhood livability and promote continued housing affordability.
- Pass a rent stabilization ordinance.
- Create an affordable housing overlay district.
- Zone more land to allow multi-family rental housing.
- Increase for housing education, outreach, and enforcement.

One comment or view that was not accepted, or not included, in the Housing Element Update that was common among several CBO's, as well as individuals, was the request to 'pass an affordable

housing bond issue to provide funding to construct multi-family housing'. The City did not include an affordable housing bond as a policy in the Housing Element Update as passing an affordable housing bond is costly, would require voter approval, and other policies and actions were identified that can achieve the same goal of developing multi-family housing, such as studying the creation of an affordable housing overlay, considering a commercial linkage fee, and expand multi-family zoning areas throughout the City.

DRAFT

5.3 Fair Housing Analysis

a. Demographic Summary

This Demographic Summary provides an overview of data concerning race and ethnicity, sex, familial status, disability status, limited English proficiency, national origin, and age. The data included reflects the composition of both the city of Morgan Hill and the San Jose-Sunnyvale-Santa Clara, CA Metropolitan Statistical Area.

1. Describe demographic patterns in the jurisdiction and region, and describe trends over time (since 1990).

Table 1: Demographics, Morgan Hill and San Jose-Sunnyvale-Santa Clara, CA Region

	Jurisdiction			Region		
Race/Ethnicity	#		%	#		%
White, Non-Hisp.	21,880		49.0%	628,606		31.6%
Black, Non-Hisp.	777		1.7%	45,713		2.3%
Hispanic	13,977		31.3%	527,059		26.5%
Asian/Pacific Island, Non-Hisp.	6,130		13.7%	707,309		35.6%
Native American, Non-Hisp.	13		0.0%	3,552		0.2%
National Origin						
#1 country of origin	Mexico	2,188	4.9%	Mexico	139,306	7.0%
#2 country of origin	Vietnam	989	2.2%	India	128,069	6.4%
#3 country of origin	Philippines	648	1.5%	Vietnam	101,246	5.1%
#4 country of origin	India	481	1.1%	China, Excluding Hong Kong and Taiwan	85,593	4.3%
#5 country of origin	China, excluding Hong Kong & Taiwan	357	0.8%	Philippines	59,640	3.0%
#6 country of origin	Korea	341	0.8%	Taiwan	30,893	1.6%
#7 country of origin	Canada	239	0.5%	Korea	21,365	1.1%
#8 country of origin	Iran	220	0.5%	Iran	15,949	0.8%
#9 country of origin	Hong Kong	160	0.4%	Japan	11,786	0.6%
#10 country of origin	Iraq	135	0.3%	Hong Kong	11,411	0.6%
Limited English Proficiency (LEP) Language						
#1 LEP Language	Spanish	2,648	6.9%	Spanish	142,191	7.9%
#2 LEP Language	Chinese	353	0.9%	Vietnamese	72,373	4.0%
#3 LEP Language	Vietnamese	241	0.6%	Chinese	67,865	3.8%
#4 LEP Language	Tagalog	103	0.3%	Tagalog	20,924	1.2%

#5 LEP Language	Portuguese	69	0.2%	Korean	11,561	
#6 LEP Language	Korean	68	0.2%	Other Asian Languages	8,186	0.6%
#7 LEP Language	Japanese	64	0.2%	Japanese	6,870	0.4%
#8 LEP Language	German	49	0.1%	Other Indic Languages	6,739	0.4%
#9 LEP Language	Arabic	45	0.1%	Persian	5,514	0.3%
#10 LEP Language	Other Asian Languages	40	0.1%	Russian	5,285	0.3%
Disability Type						
Hearing difficulty		992	2.2%		46,279	2.3%
Vision difficulty		621	1.4%		27,671	1.4%
Cognitive difficulty		1,597	3.9%		61,783	3.3%
Ambulatory difficulty		1,894	4.6%		82,592	4.4%
Self-care difficulty		913	2.2%		38,520	2.1%
Independent living difficulty		1,570	4.8%		69,507	4.5%
Sex						
Male		21,684	48.5%		1,004,573	50.5%
Female		23,002	51.5%		983,273	49.5%
Age						
Under 18		11,606	26.0%		440,060	22.3%
18-64		26,840	60.0%		1,282,083	64.5%
65+		6,240	14.0%		261,703	13.2%
Family Type						
Families with children		5,357	46.7%		214,550	45.8%

Race and Ethnicity

A plurality of the population of Morgan Hill is White, and Hispanic residents are the second largest segment of the city's population, accounting for nearly one-third of residents. Asian and Pacific Islander residents are the third largest group. In comparison to the region, the population of Morgan Hill is much more heavily white, somewhat more heavily Hispanic, and much less heavily Asian and Pacific Islander. Like Morgan Hill itself, the region has low populations of Black and Native American residents.

National Origin

Consistent with the discussion above, individuals of Mexican national origin comprise the largest group of foreign-born residents in Morgan Hill. Among Asian national origin groups, individuals of Vietnamese national origin are the largest followed by Filipino-Americans, Indian-Americans, Chinese-Americans, and Korean-Americans. Lastly, there are small populations of people of Iranian, Canadian, and Iraqi national origin. For purposes of interpreting Census and ACS data, it is important to note that persons of Iranian and Iraqi national origin are generally categorized as White. In Morgan Hill, there are smaller concentrations than in the region of every national origin group that appears in the top ten most populous national origin groups for both the city and the region. The gap is narrower for people of Mexican and Filipino national origin than it is for other groups. It is notable that the percentage of residents of Mexican national origin in Morgan

Hill is lower than in the region despite the percentage of Hispanic residents being higher. The higher concentration of children, who are more likely to have been born in the United States than their parents, in Morgan Hill may explain this apparent disconnect.

Limited English Proficiency

Spanish speakers with limited English proficiency (LEP) are by far the largest group of LEP individuals in Morgan Hill. Speakers of Chinese, Vietnamese, and Tagalog are the next largest groups of LEP residents. There is no other language that more than 100 LEP residents speak in Morgan Hill. This is largely consistent with the national origin data discussed above though it is also clear that some immigrant communities in Morgan Hill are comparatively less likely to be have LEP status than others. In particular, individuals of Indian national origin comprise the fourth largest national origin group in the city, but no South Asian language is among the ten most spoken languages by LEP individuals. There are higher concentrations in the region than in the city of all LEP groups that appear in the top ten LEP groups for both the city and the region. The gap is smallest for LEP Spanish speakers, of whom there is only a slightly higher concentration in the region than in the city.

Disability

In Morgan Hill, the most common types of disabilities are, in order, independent living disabilities, ambulatory disabilities, cognitive disabilities, hearing disabilities, self-care disabilities, and vision disabilities. It is important to note that each of these types of disabilities can be co-occurring with one or more other types of disabilities. Additionally, persons under the age of 18, by definition, cannot have independent living disabilities. With the exception of individuals with hearing disabilities, concentrations of persons with all other types of disabilities are higher in Morgan Hill than in the broader region. The difference is larger for persons with cognitive disabilities than it is for any other category.

Sex

Women comprise a slight majority of the population of Morgan Hill. This is in contrast to the region where men comprise a barer majority of the population. This juxtaposition may be due to the disproportionate employment of men in the technology industry in the northern part of Santa Clara County, on the one hand, and the relatively smaller role of the technology industry in South County.

Age

Non-elderly adults are a majority of the population of Morgan Hill, but that share is smaller than the proportion of the regional population comprised of non-elderly adults. Residents of Morgan Hill are much more likely to be children and are slightly more likely to be elderly adults than are residents of the region.

Familial Status

Just under one half of households in Morgan Hill are families with children. Families with children comprise a slightly larger share of households in Morgan Hill than they do in the region.

Table 2: Demographic Trends

City of Morgan Hill						
	1990 Trend		2000 Trend		2010 Trend	
Race/Ethnicity	#	%	#	%	#	%
White, Non-Hispanic	16,616	69.4%	20,720	61.6%	19,073	50.3%
Black, Non-Hispanic	364	1.5%	421	1.3%	667	1.8%
Hispanic	5,594	23.4%	9,237	27.5%	12,863	34.0%
Asian or Pacific Islander, Non-Hispanic	1,188	5.0%	2,091	6.2%	3,819	10.1%
Native American, Non-Hispanic	120	0.5%	92	0.3%	125	0.3%
National Origin						
Foreign-born	2,639	11.0%	5,104	15.2%	7,585	18.6%
LEP						
Limited English Proficiency	1,680	7.5%	3,104	10.1%	3,855	10.1%
Sex						
Male	26,844	50.1%	16,727	49.7%	18,738	49.5%
Female	11,984	49.9%	16,908	50.3%	19,144	50.5%
Age						
Under 18	7,226	30.2%	10,339	30.7%	10,838	28.6%
18-64	14,874	62.2%	20,898	62.2%	23,446	61.9%
65+	1,828	7.6%	2,398	7.1%	3,598	9.5%
Family Type						
Families with children	3,409	54.9%	4,821	55.9%	5,495	56.7%
(San Jose-Sunnyvale-Santa Clara, CA) Region						
	1990 Trend		2000 Trend		2010 Trend	
Race/Ethnicity	#	%	#	%	#	%
White, Non-Hispanic	888,530	57.90%	768,747	44.29%	648,063	35.28%
Black, Non-Hispanic	52,557	3.42%	52,151	3.00%	52,208	2.84%

Hispanic	331,183	21.58%	428,868	24.71%	510,396	27.79%
Asian or Pacific Islander, Non-Hispanic	251,953	16.42%	459,718	26.48%	611,013	33.26%
Native American, Non-Hispanic	6,717	0.44%	11,780	0.68%	10,290	0.56%
National Origin						
Foreign-born	353,465	23.04%	583,157	33.60%	655,016	35.66%
LEP						
Limited English Proficiency	212,940	13.88%	351,953	20.28%	366,129	19.93%
Sex						
Male	777,230	50.66%	878,445	50.61%	921,480	50.16%
Female	757,116	49.34%	857,377	49.39%	915,431	49.84%
Age						
Under 18	369,600	24.09%	444,818	25.63%	445,611	24.26%
18-64	1,032,260	67.28%	1,127,524	64.96%	1,188,996	64.73%
65+	132,486	8.63%	163,480	9.42%	202,304	11.01%
Family Type						
Families with children	180,450	48.31%	180,388	49.79%	217,181	49.33%

Since 1990, the population of Morgan Hill has become less heavily White and more heavily Hispanic and Asian or Pacific Islander while the Black and Native American population concentrations have been relatively stable. These changes have occurred over a period of significant population growth in Morgan Hill, and, accordingly, the total White population has not actually declined since 1990 (though it did slightly between 2000 and 2010 before increasing again between 2010 and the 2015-2019 American Community Survey). Both the foreign-born population and the population of people with limited English proficiency have increased though the latter increased more significantly between 1990 and 2000 than it has in recent years. The population of older adults has increased over time while the proportions of the population comprised of working-age adults and children have declined slightly. There has been little change in population by sex, and there has been a slight increase in the proportion of families that include minor children. Regional trends largely mirror changes seen in Morgan Hill with the exception that there has been a small but notable decrease in Black population regionally (though not in Morgan Hill).

2. Describe the location of homeowners and renters in the jurisdiction and region, and describe trends over time.

DRAFT

6/15/22, 4:48 PM

HYD APPH - FRONT MAP



Page 330 of 695

b. General Issues

i. Segregation/Integration

1.a. Describe and compare segregation levels in the jurisdiction and region. Identify the racial/ethnic groups that experience the highest levels of segregation.

Dissimilarity Index

	Value	Level of Segregation
Dissimilarity Index Value (0-100)	0-40	Low Segregation
	41-54	Moderate Segregation
	55-100	High Segregation

Table 1: Dissimilarity Index Values by Race and Ethnicity for Morgan Hill.

Racial/Ethnic Dissimilarity Index	1990 Trend	2000 Trend	2010 Trend	2020 Trend
Black/White	10.2	16.6	17.2	16.1
Hispanic/White	16.6	29.3	27.3	24.4
Asian/White	9.7	6.0	16.6	13.9

Source: HUD AFFH Tool Table 3 – Racial/Ethnic Dissimilarity Trends

Table 2: Dissimilarity Index Values by Race and Ethnicity for San José-Sunnyvale-Santa Clara, CA Metropolitan Statistical Area.

Racial/Ethnic Dissimilarity Index	1990 Trend	2000 Trend	2010 Trend	2020 Trend
Black/White	43.4	40	38.6	35.3
Hispanic/White	48	50.8	47.6	45.4
Asian/White	39	42.1	43	39.8

Source: HUD AFFH Tool Table 3 – Racial/Ethnic Dissimilarity Trends

The tables above reflect the Dissimilarity Indices for Morgan Hill and the San José-Sunnyvale-Santa Clara, MSA. The Dissimilarity Index measures the percentage of a certain group's population that would have to move to a different census tract in order to be evenly distributed within a city or metropolitan area in relation to another group. The higher the Dissimilarity Index, the higher the extent of the segregation.

Morgan Hill has low levels of segregation across all racial and ethnic groups. In the broader region, there are higher levels of segregation for all groups than in Morgan Hill. In particular, Hispanic residents are subject to moderate levels of segregation in relation to White residents, and, while segregation for Black and Asian residents are lower, index levels for Asians are at the highest extreme of the low range and index levels for Blacks indicate moderate segregation.

In addition to the Dissimilarity Index, social scientists also use the Isolation and Exposure Indices to measure segregation. These indices, when taken together, capture the neighborhood demographics experienced, on average, by members of a particular racial or ethnic group within a city or metropolitan area. The Isolation Index measures what percentage of the census tract in which a person of a certain racial identity is exposed only to other persons of that same racial/ethnic group. Values for the Isolation Index range from 0 to 100. The Exposure Index is a

group's exposure to all racial groups. Values for the Exposure Index also range from 0 to 100. A larger value means that the average group member lives in a census tract with a higher percentage of people from another group.

Table 3: Isolation Index Values by Race and Ethnicity in Morgan Hill

Isolation Index	1990	2000	2010	2020
White/White	69.8	63.5	53.0	45.9
Black/Black	1.6	2.1	2.5	3.1
Hispanic/Hispanic	25.4	32.7	38.9	36.9
Asian/Asian	5.4	8.1	13.7	19.0

Source: Diversity and Disparities, Spatial Structures in the Social Sciences, Brown University

Table 4: Exposure Index Values for Morgan Hill

Exposure Index	1990	2000	2010	2020
Black/White	70.9	59.0	48.6	42.9
Hispanic/White	67.9	56.5	46.2	41.1
Asian/White	70.9	62.8	51.2	44.5
White/Black	1.6	1.9	2.3	2.8
Hispanic/Black	1.4	2.1	2.5	3.0
Asian/Black	1.6	1.9	2.4	2.9
White/Hispanic	22.9	25.3	31.2	30.9
Black/Hispanic	21.4	29.8	35.7	34.2
Asian/Hispanic	21.4	25.5	31.6	31.2
White/Asian	5.1	7.7	12.5	17.8
Black/Asian	5.3	7.4	12.1	17.4
Hispanic/Asian	4.6	6.9	11.4	16.6

Source: Diversity and Disparities, Spatial Structures in the Social Sciences, Brown University

As the tables above show, all groups reside in neighborhoods that are plurality White. In general, an individual Morgan Hill resident's race or ethnicity does not suggest a likelihood of living in materially more segregated conditions. Additionally, while the Isolation Index for White residents is higher than all other groups, it is only slightly higher than the Exposure Indices for Asian, Black, and Hispanic residents. Isolation and exposure indexes for White and Hispanic residents have been reduced over the past decade.

Table 4: Isolation Index Values by Race and Ethnicity in San José-Sunnyvale-Santa Clara, CA Metropolitan Statistical Area.

Isolation Index	1990	2000	2010	2020
White/White	67	56.5	47.6	39.1
Black/Black	5.3	4.2	4	3.8
Hispanic/Hispanic	37	41.7	43.4	41.1
Asian/Asian	24.3	37.6	45.4	51.1

Source: Diversity and Disparities, Spatial Structures in the Social Sciences, Brown University

Table 4: Exposure Index Values for San José-Sunnyvale-Santa Clara, CA Metropolitan Statistical Area

Exposure Index	1990	2000	2010	2020
Black/White	48.1	38.8	32.8	28.1
Hispanic/White	42	31.2	26.7	23.3
Asian/White	49.6	37.1	29.4	24.9
White/Black	2.8	2.6	2.6	2.7
Hispanic/Black	4.1	3.3	3	3
Asian/Black	4.3	3.2	2.8	2.6
White/Hispanic	15.6	17.3	21.1	21.3
Black/Hispanic	25.5	27.1	29.7	28.8
Asian/Hispanic	21.3	20.8	21.7	20.1
White/Asian	14	22.1	27.8	35.1
Black/Asian	20.4	28.5	32.7	37.5
Hispanic/Asian	16.2	22.4	26.1	31

Source: Diversity and Disparities, Spatial Structures in the Social Sciences, Brown University

As with the Dissimilarity Index, regional Isolation and Exposure Index data reflects more segregated patterns than are evident within Morgan Hill. It is clear that White (74.2%) and Asian (76%) residents are more likely to live in neighborhoods that have higher combined concentrations of White and Asian residents than are Hispanic (54.3%) residents, in particular, and Black (65.6%) residents, to a lesser extent.

1.b. Explain how these segregation levels have changed over time (since 1990).

With respect to Dissimilarity Index data and the Isolation and Exposure Indices, there has been a decrease in the levels of segregation among White and Hispanic residents over the past decade. There has been a slight increase in isolation among Black and Asian residents.

In the region, Dissimilarity Index levels for Black residents in relation to White residents have decreased over time while Dissimilarity Index levels for Hispanic and Asian residents, respectively, in relation to White residents have been little changed. Exposure to White residents (and isolation for White residents) has decreased over time for all groups while exposure to Asian residents (and isolation for Asian residents) has increased over time for all groups. Exposure to Hispanic residents (and isolation for Hispanic residents) has been relatively unchanged. For Black residents, the trend has been toward decreased exposure (and isolation for Black residents), but exposure to Black residents for White residents is an exception, being largely unchanged.

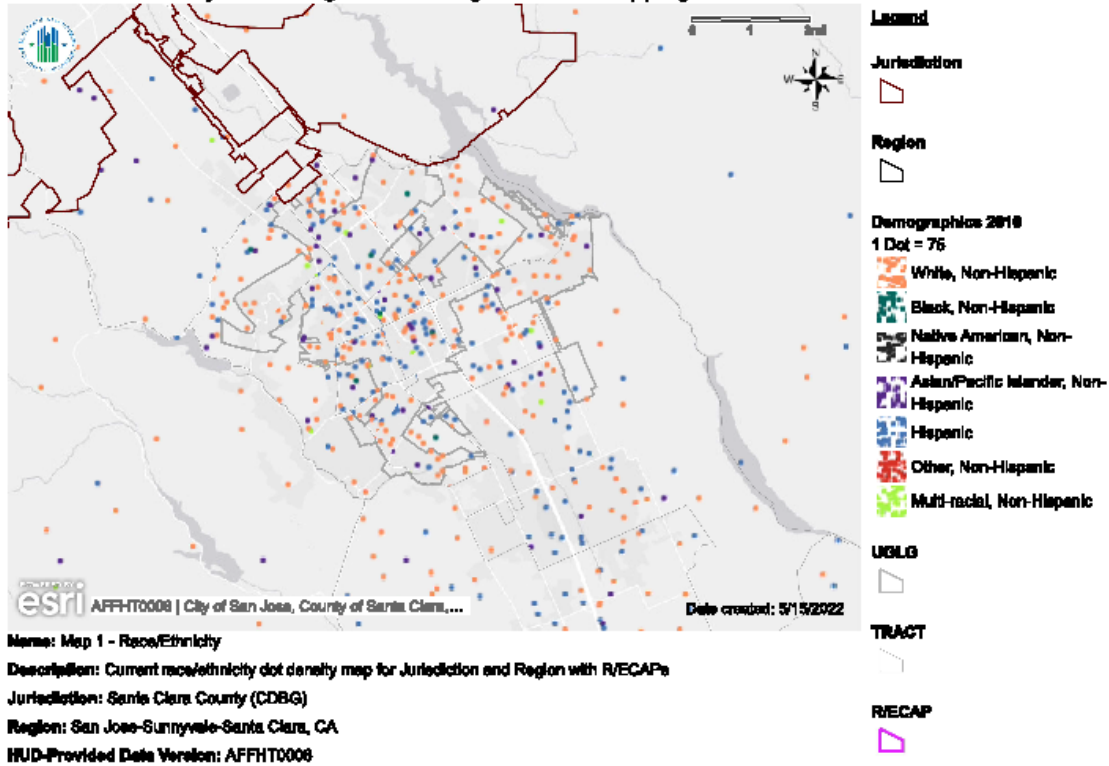
1.c. Identify areas in the jurisdiction and region with relatively high segregation and integration by race/ethnicity, national origin, or LEP group, and indicate the predominant groups living in each area.

Map 1: Race/Ethnicity, Morgan Hill

8/18/22, 4:53 PM

HUD AFFH - PRINT MAP

HUD Affirmatively Furthering Fair Housing Data and Mapping Tool

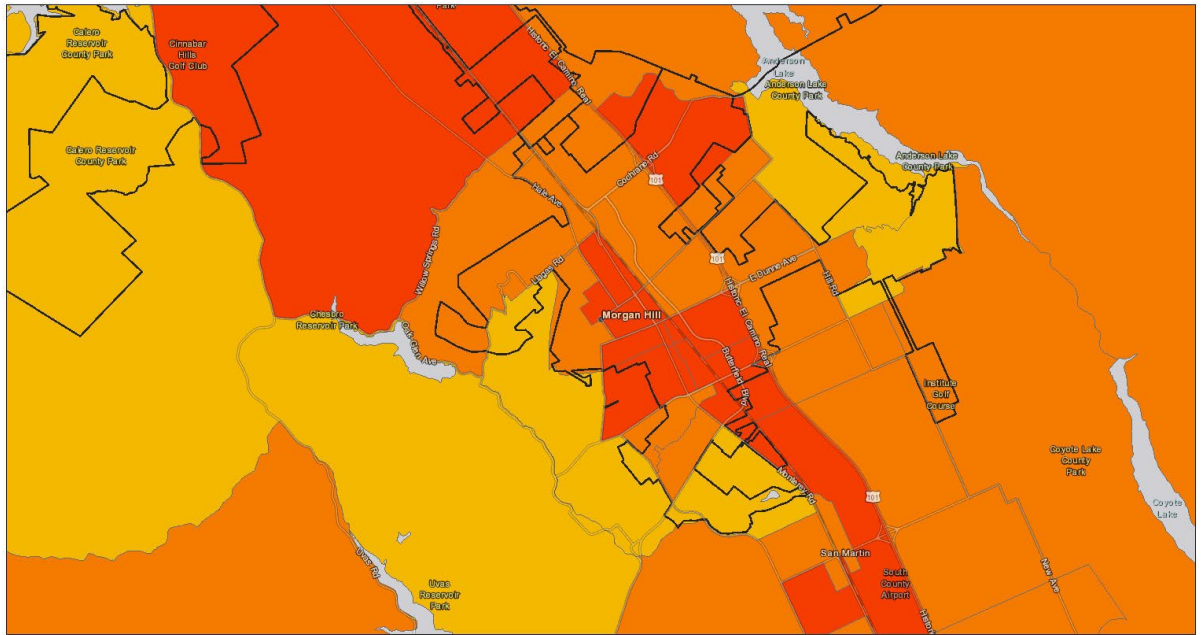


<https://data.hud.gov/data/affh/printmap/printmap?jurisdiction=000085&mapNumber=100&gdVersion=AFHT00000&zoom=1&lat=37.338&mapScale=local&mapStyle=gray&dotValue=75&dotSize=4&...> 1/1

DR

Map 2: Racial Demographics, Morgan Hill

Morgan Hill Racial Demographics



4/6/2022, 12:01:46 PM

City/Town Boundaries
(R) Racial Demographics (2018) - Block Group
21 - 40%
41 - 60%
61 - 80%

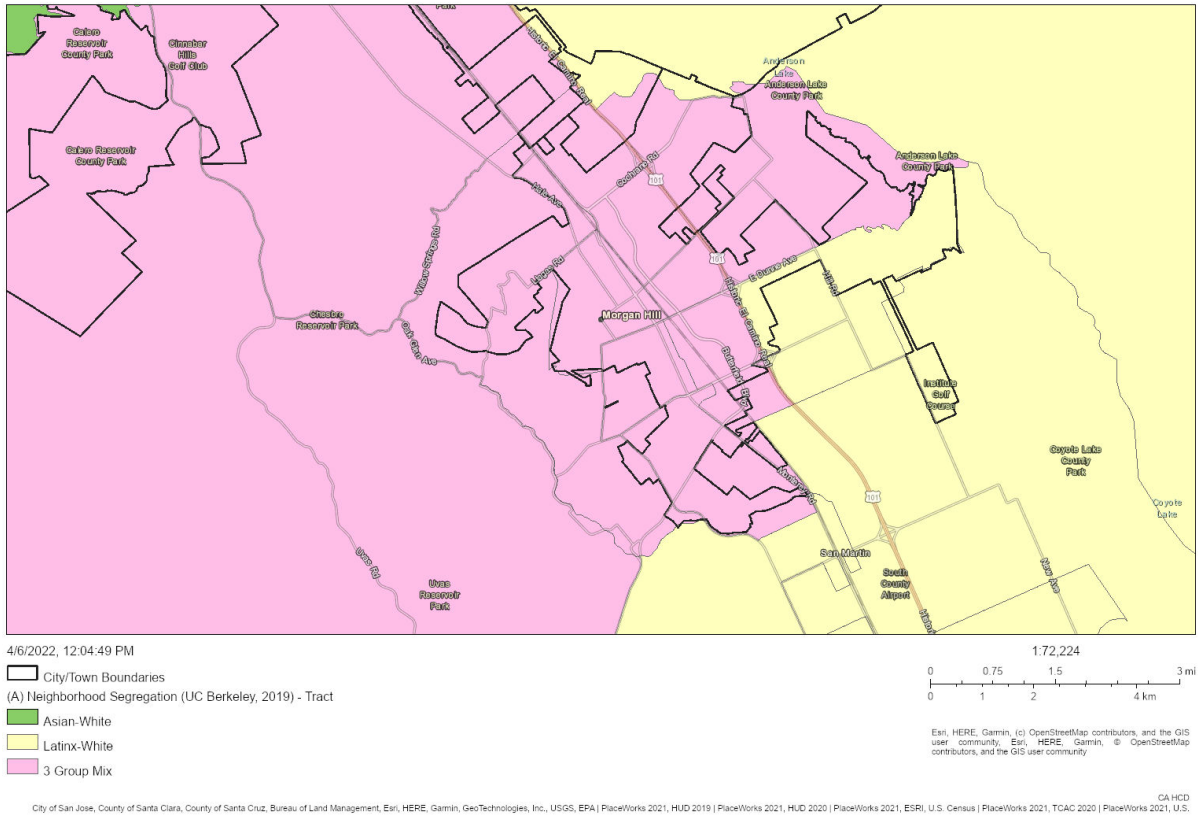
0 0.75 1.5 3 mi
0 1 2 4 km

Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community, Esri, HERE, Garmin, © OpenStreetMap contributors, and the GIS user community

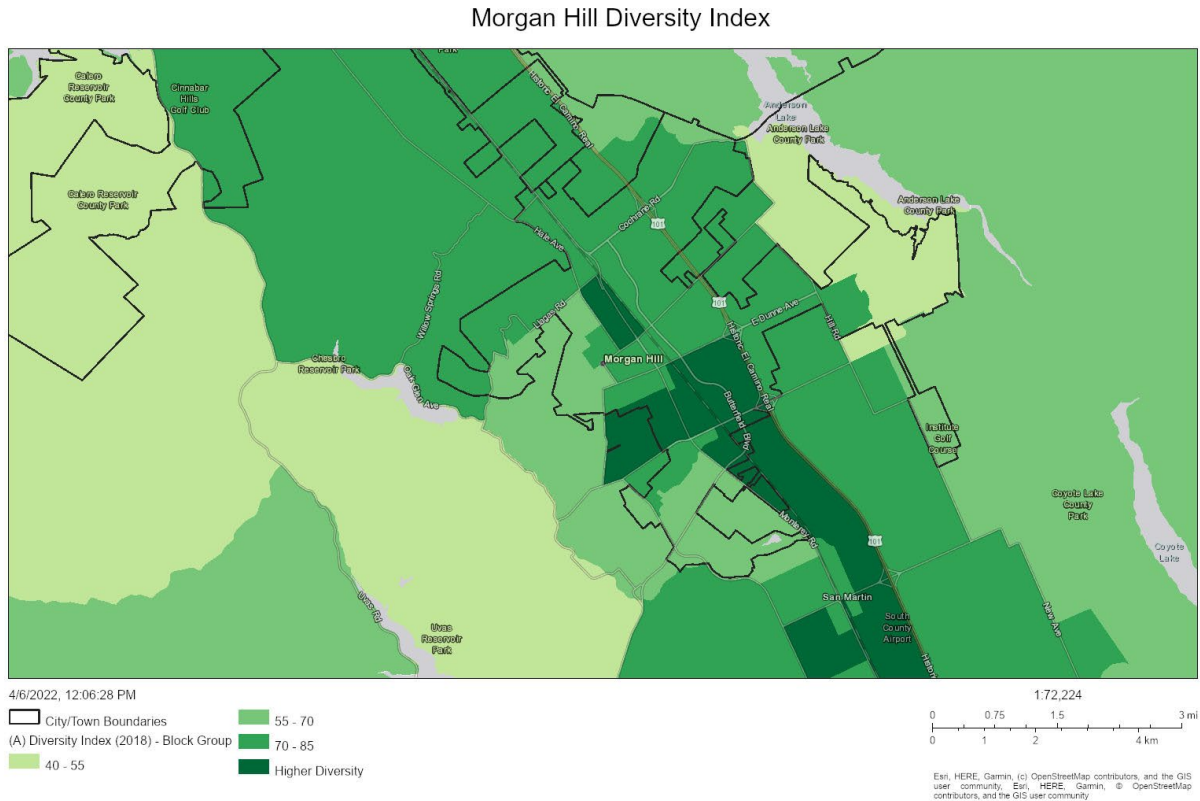
CA/HCD
City of San Jose, County of Santa Clara, County of Santa Cruz, Bureau of Land Management, Esri, HERE, Garmin, GeoTechnologies, Inc., USGS, EPA | PlaceWorks 2021, HUD 2019 | PlaceWorks 2021, HUD 2020 | PlaceWorks 2021, ESRI, U.S. Census | PlaceWorks 2021, TCAC 2020 | PlaceWorks 2021, U.S.

Map 3: Neighborhood Segregation, Morgan Hill

Morgan Hill Neighborhood Segregation



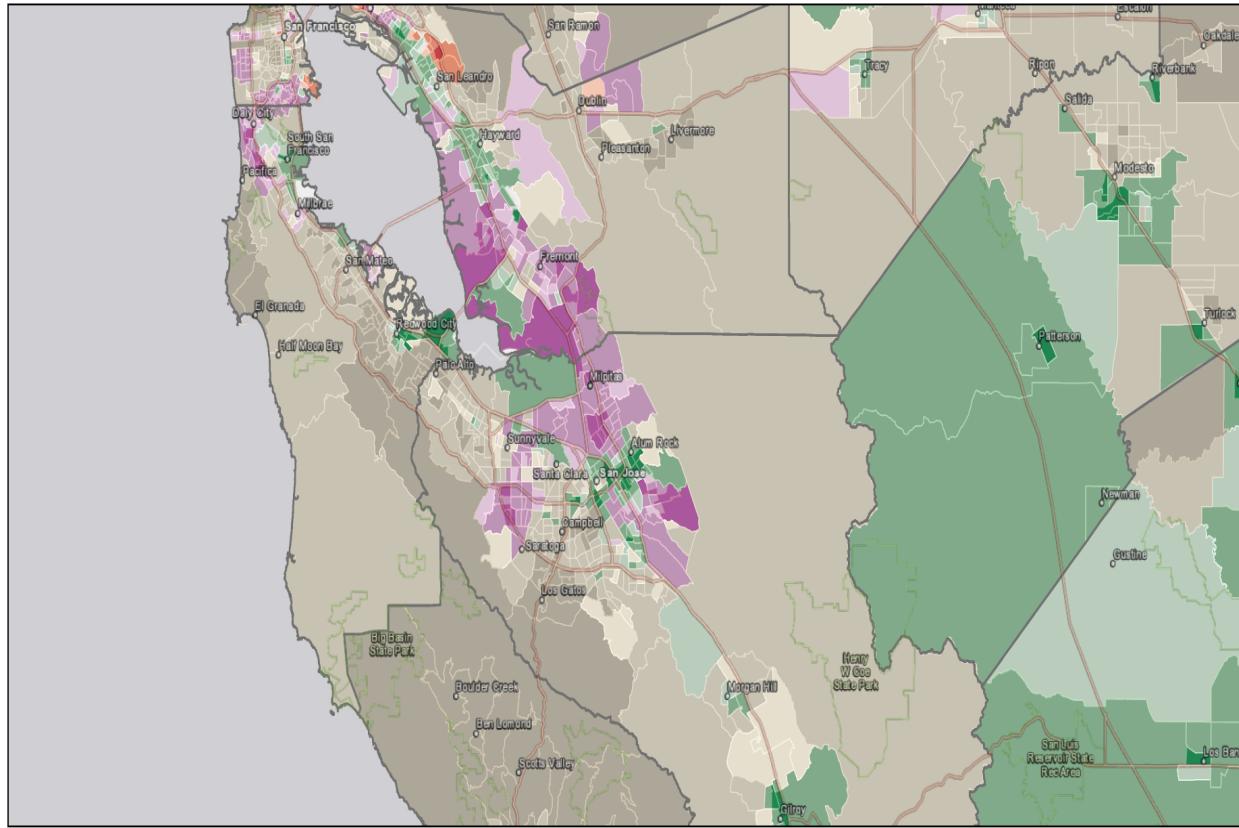
Map 4: Diversity Index, Morgan Hill



City of San Jose, County of Santa Clara, County of Santa Cruz, Bureau of Land Management, Esri, HERE, Garmin, GeoTechnologies, Inc., USGS, EPA | PlaceWorks 2021, HUD 2019 | PlaceWorks 2021, HUD 2020 | PlaceWorks 2021, ESRI, U.S. Census | PlaceWorks 2021, TCAC 2020 | PlaceWorks 2021, U.S.

The maps above reflect that Morgan Hill has a low level of segregation. White, Asian, and Hispanic residents are interspersed in the city, while the eastern portion of the city as well as adjoining unincorporated areas are less integrated. North and east of the city have minimal residential development, and tend to be populated by White and Hispanic residents.

Map 5: Predominant Population by Race, Region



3/27/2022, 10:05:23 AM

County Boundaries

(R) Predominant Population - White Majority Tracts

Slim (gap < 10%)

Sizeable (gap 10% – 50%)

Predominant (gap > 50%)

(R) Predominant Population - Hispanic Majority Tracts

Slim (gap < 10%)

Sizeable (gap 10% – 50%)

Predominant (gap > 50%)

(R) Predominant Population - Asian Majority Tracts

Slim (gap < 10%)

Sizeable (gap 10% – 50%)

Predominant (gap > 50%)

(R) Predominant Population - African American Majority Tracts

Slim (gap < 10%)

Sizeable (gap 10% – 50%)

Predominant (gap > 50%)

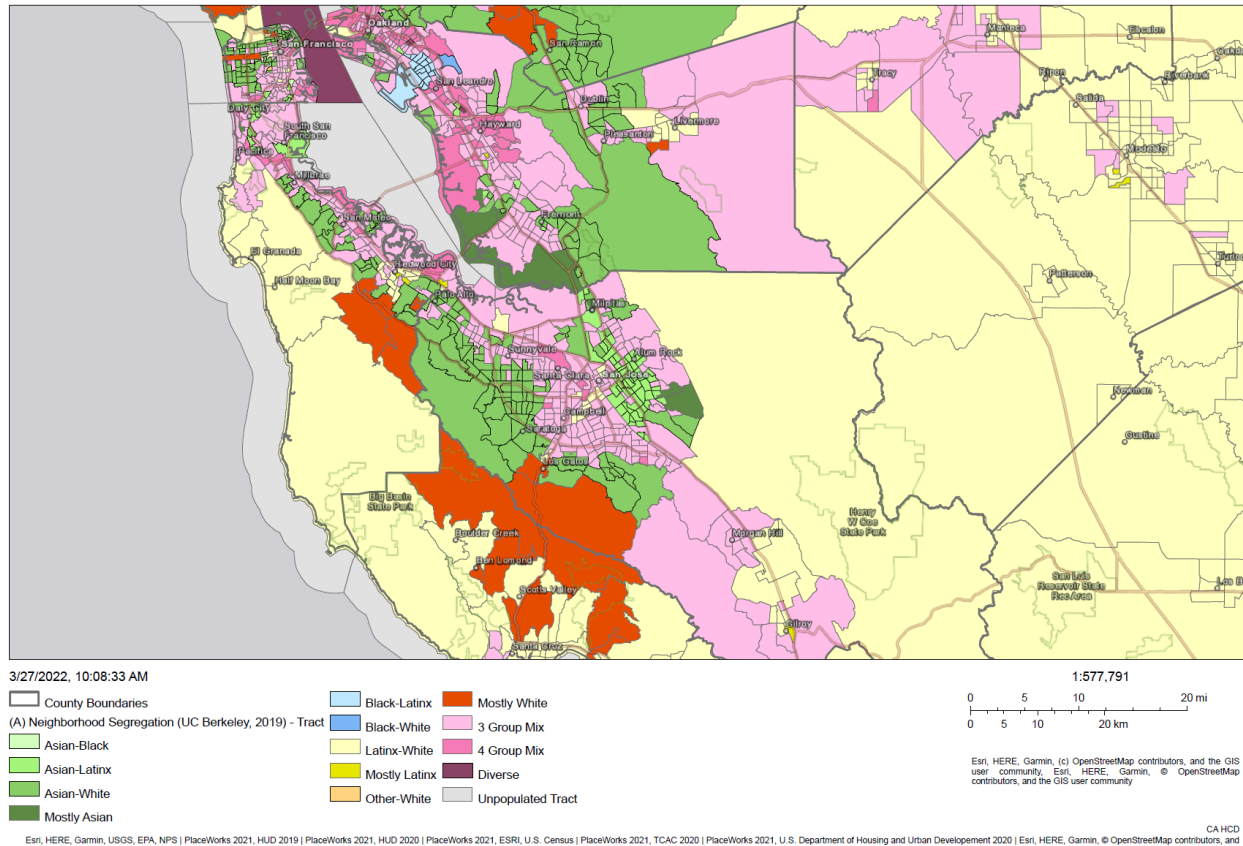
1:577,791

0 5 10 20 mi
0 5 10 20 km

Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community, Esri, HERE, Garmin, © OpenStreetMap contributors, and the GIS user community

CA HCD

Esri, HERE, Garmin, USGS, EPA, NPS | PlaceWorks 2021, HUD 2019 | PlaceWorks 2021, HUD 2020 | PlaceWorks 2021, ESRI, U.S. Census | PlaceWorks 2021, TCAC 2020 | PlaceWorks 2021, U.S. Department of Housing and Urban Development 2020 | Esri, HERE, Garmin, © OpenStreetMap contributors, and the

Map 6: Neighborhood Segregation, Region

The map above reflects more substantial patterns of segregation in the region. There are at least two different ways of conceptualizing the region. First, consistent with most regional data presented in this Assessment, the San José-Sunnyvale-Santa Clara, CA Metropolitan Statistical Area, which consists of Santa Clara and San Benito Counties, can be thought of as the region. Second, Morgan Hill can be situated in the broader Bay Area.

Under the narrower conception, areas of White population concentration consist primarily of portions of South and West San José, smaller cities in the West Valley, and portions of Mountain View and Palo Alto, along with some rural portions of San Benito County. There are no areas of Black population concentration within the more narrowly defined region. Areas of Hispanic population concentration consist of parts of Downtown, East, and South San José, part of Morgan Hill, most of Gilroy and Hollister, and small portions of Santa Clara and Sunnyvale. Outside of Morgan Hill itself, areas of Asian population concentration include parts of East, North, and West San José, virtually all of Cupertino, most of Sunnyvale, and parts of Santa Clara.

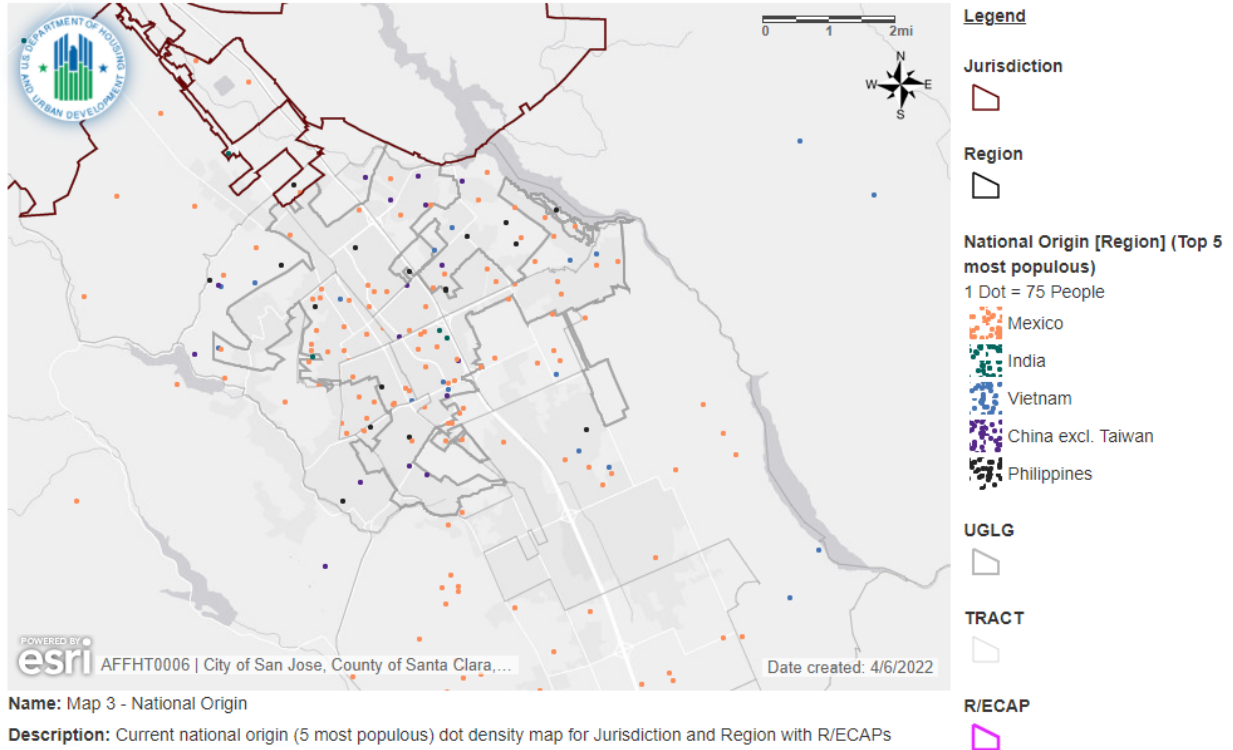
Broadening the scope of analysis, it is clear that there are areas of Black population concentration in East and West Oakland, the Bayview-Hunter's Point neighborhood of San Francisco, Richmond, and small parts of Dublin, Pittsburg, and Vallejo. Additional areas of White population concentration include much of central Contra Costa County, the Oakland Hills, Berkeley, much of northern and western San Francisco, most of Marin County, and parts of San Mateo County such as Belmont, Menlo Park, San Carlos, and Woodside. Additional areas of Hispanic population concentration include much of Hayward, parts of East Oakland, the Mission District in San Francisco, much of Richmond and adjoining San Pablo in western Contra Costa County, much of

Bay Point and Pittsburg in eastern Contra Costa County, and East Palo Alto in San Mateo County. Additional areas of Asian population concentration include Fremont, Union City, and southern San Leandro; Downtown Oakland; Hercules; Daly City and Foster City; and much of southeastern and western San Francisco, along with the more centrally located Chinatown area.

DRAFT

National Origin & Limited English Proficiency

Map 7: National Origin, Morgan Hill



Name: Map 3 - National Origin

Description: Current national origin (5 most populous) dot density map for Jurisdiction and Region with R/ECAPs

Jurisdiction: Santa Clara County (CDBG)

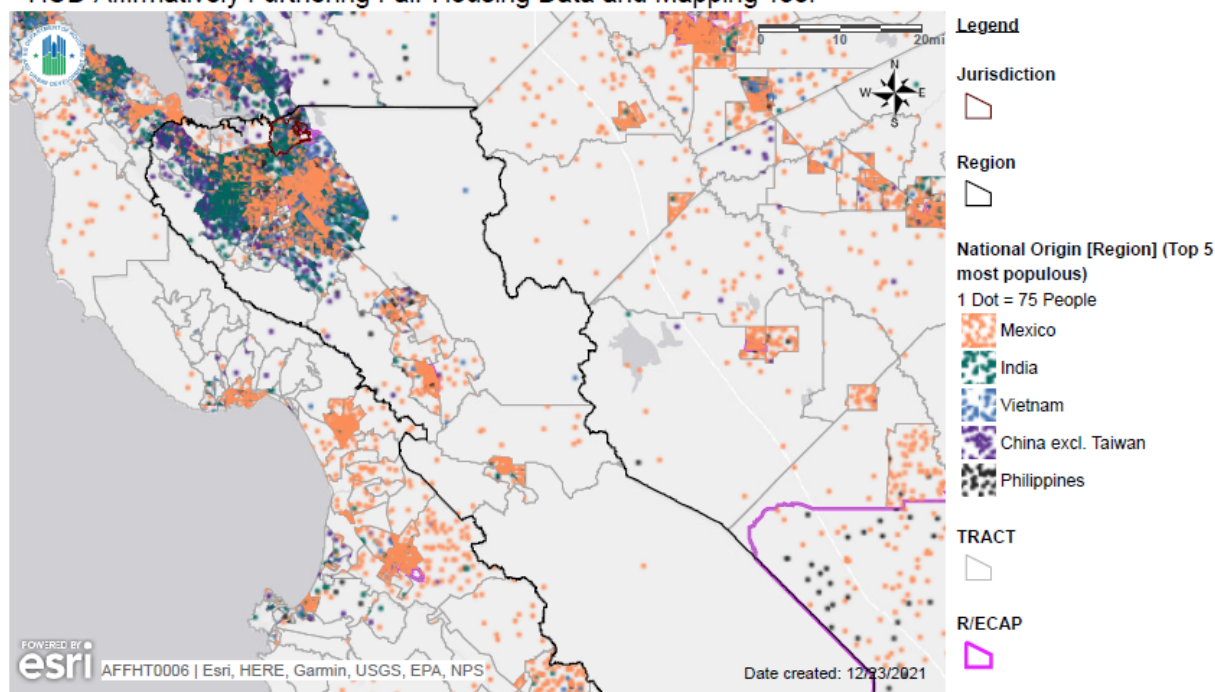
Region: San Jose-Sunnyvale-Santa Clara, CA

HUD-Provided Data Version: AFFHT0006

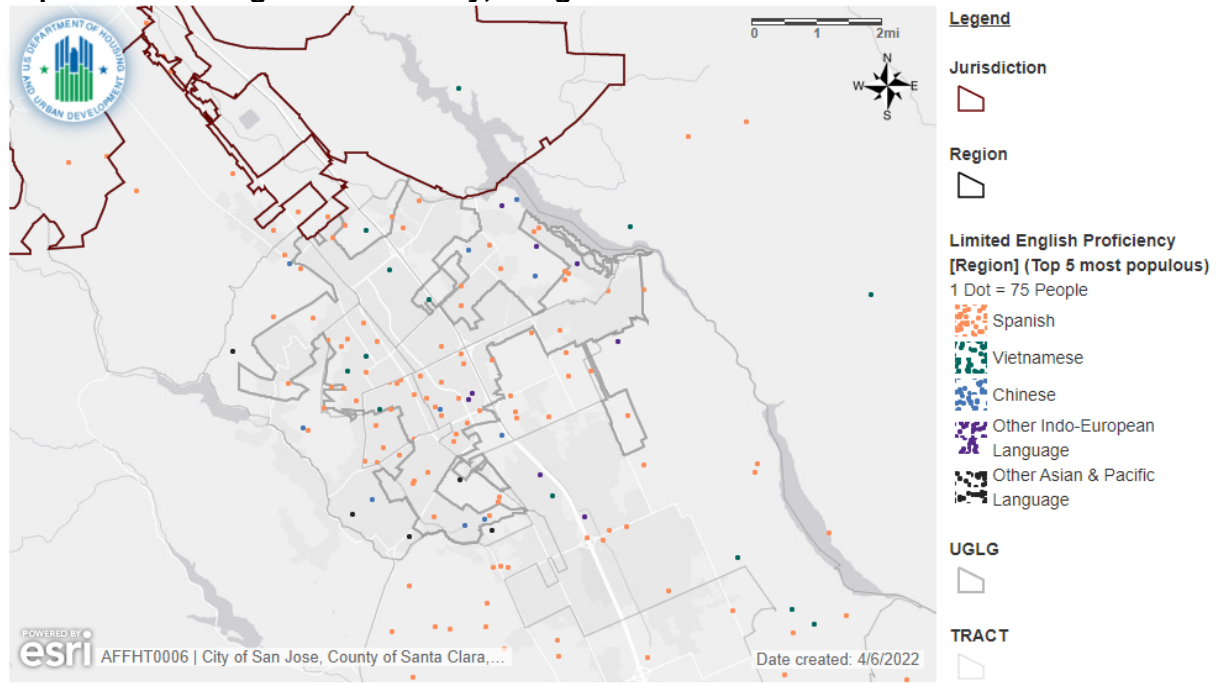
Within Morgan Hill, people of Mexican national origin live throughout the city with slightly higher concentrations in the center of the city. People of Indian national origin live throughout the city, People of Vietnamese national origin live primarily in the eastern portion of the city. People of Chinese national origin live in the eastern portions of the city, and people with Filipino national origin are located throughout the city.

Map 8: National Origin, Region

HUD Affirmatively Furthering Fair Housing Data and Mapping Tool

**Name:** Map 3 - National Origin**Description:** Current national origin (5 most populous) dot density map for Jurisdiction and Region with R/ECAPs**Jurisdiction:** Milpitas City (CDBG)**Region:** San Jose-Sunnyvale-Santa Clara, CA**HUD-Provided Data Version:** AFFHT0006

Regionally, people of Mexican national origin are concentrated in Downtown, South, and East San José and in parts of Morgan Hill, Gilroy, and Hollister. People of Indian national origin are concentrated in Sunnyvale and Santa Clara, as well as North San José. People of Vietnamese national origin are concentrated in East San José and Milpitas. People of Chinese national origin are concentrated in Cupertino, Mountain View, and both West and North San José. People of Filipino national origin are not highly concentrated in particular areas.

Map 9: Limited English Proficiency, Morgan Hill

Name: Map 4 - LEP

Description: LEP persons (5 most commonly used languages) for Jurisdiction and Region with R/ECAPs

Jurisdiction: Santa Clara County (CDBG)

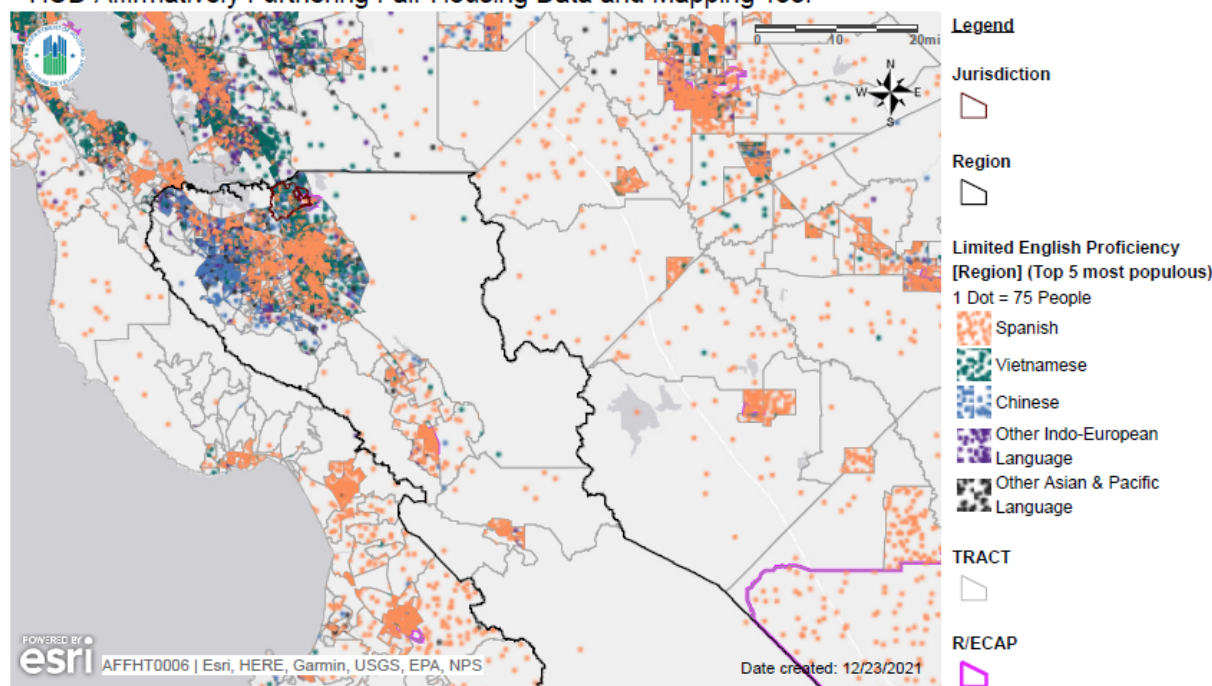
Region: San Jose-Sunnyvale-Santa Clara, CA

HUD-Provided Data Version: AFFHT0006

Within Morgan Hill, persons with limited English proficiency (LEP) who speak Spanish as their primary language are dispersed throughout the city and in the southern outskirts. While those who speak Vietnamese and Chinese are located throughout the city.

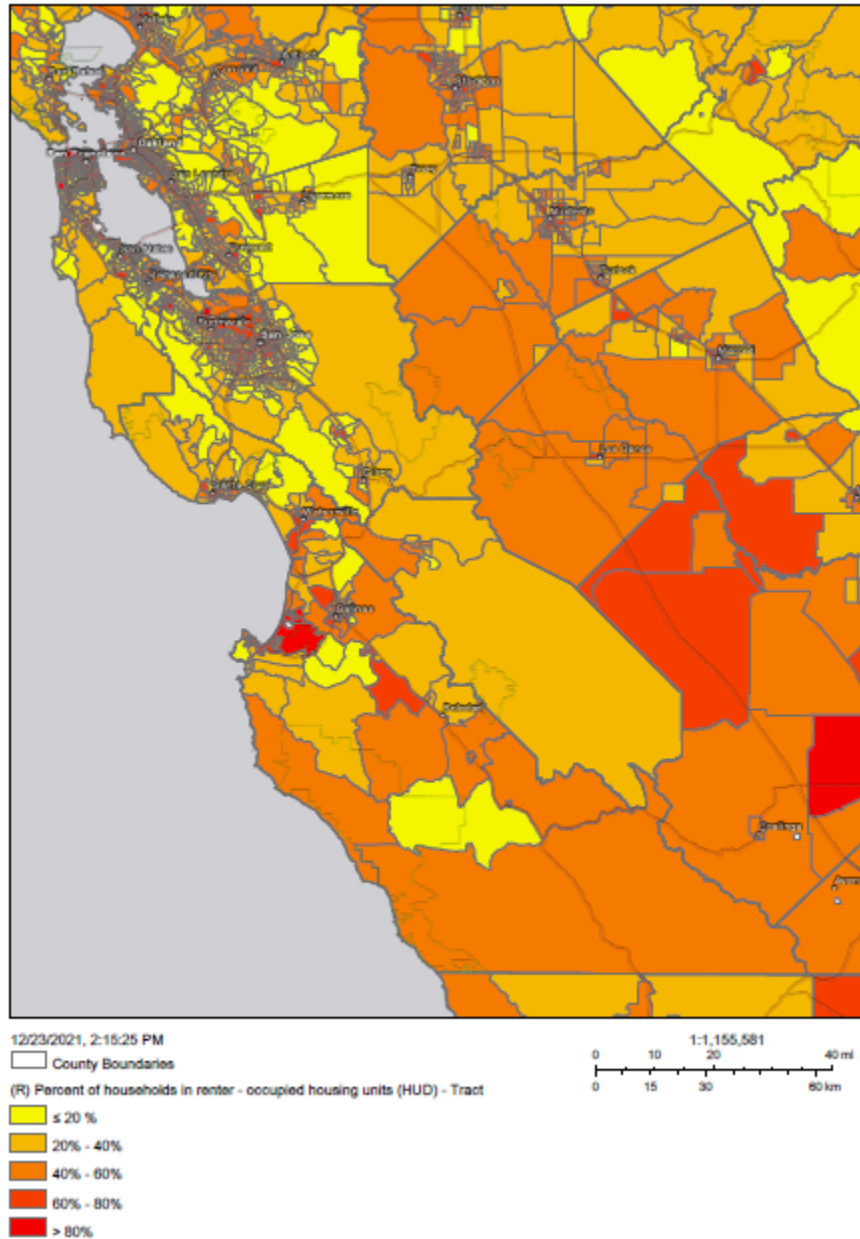
Map 10: Limited English Proficiency, Region

HUD Affirmatively Furthering Fair Housing Data and Mapping Tool

**Name:** Map 4 - LEP**Description:** LEP persons (5 most commonly used languages) for Jurisdiction and Region with R/ECAPs**Jurisdiction:** Milpitas City (CDBG)**Region:** San Jose-Sunnyvale-Santa Clara, CA**HUD-Provided Data Version:** AFFHT0006

In the region, LEP Spanish speakers are concentrated in Downtown, South, and East San José as well as in Morgan Hill, Gilroy, and Hollister. LEP Vietnamese speakers are concentrated in East San José and Milpitas. LEP Chinese speakers are concentrated in Cupertino and West San José. There do not appear to be significant concentrations of LEP speakers of other languages.

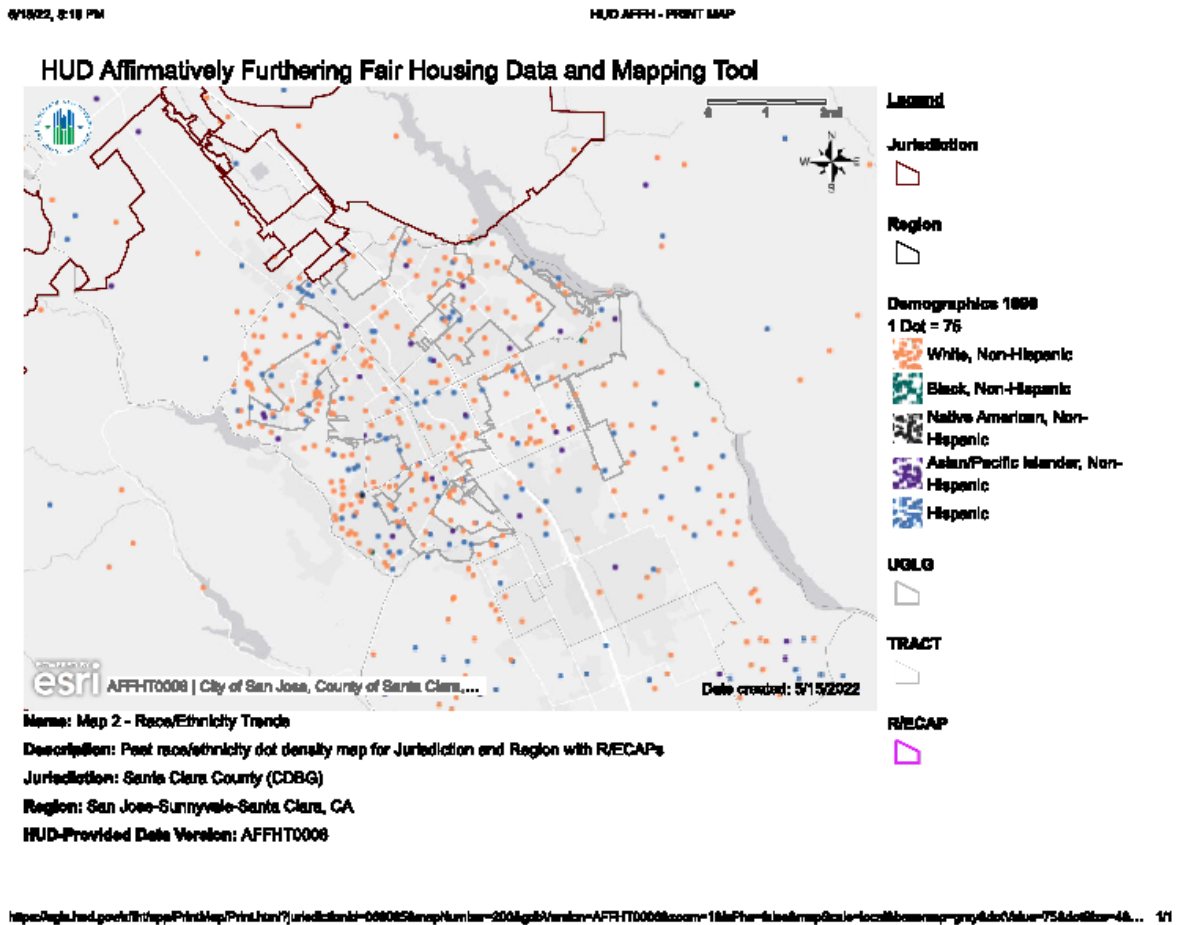
1.d. Consider and describe the location of owner and renter occupied housing in the jurisdiction and region in determining whether such housing is located in segregated or integrated areas, and describe trends over time.

Map 12: Renter Households, Region

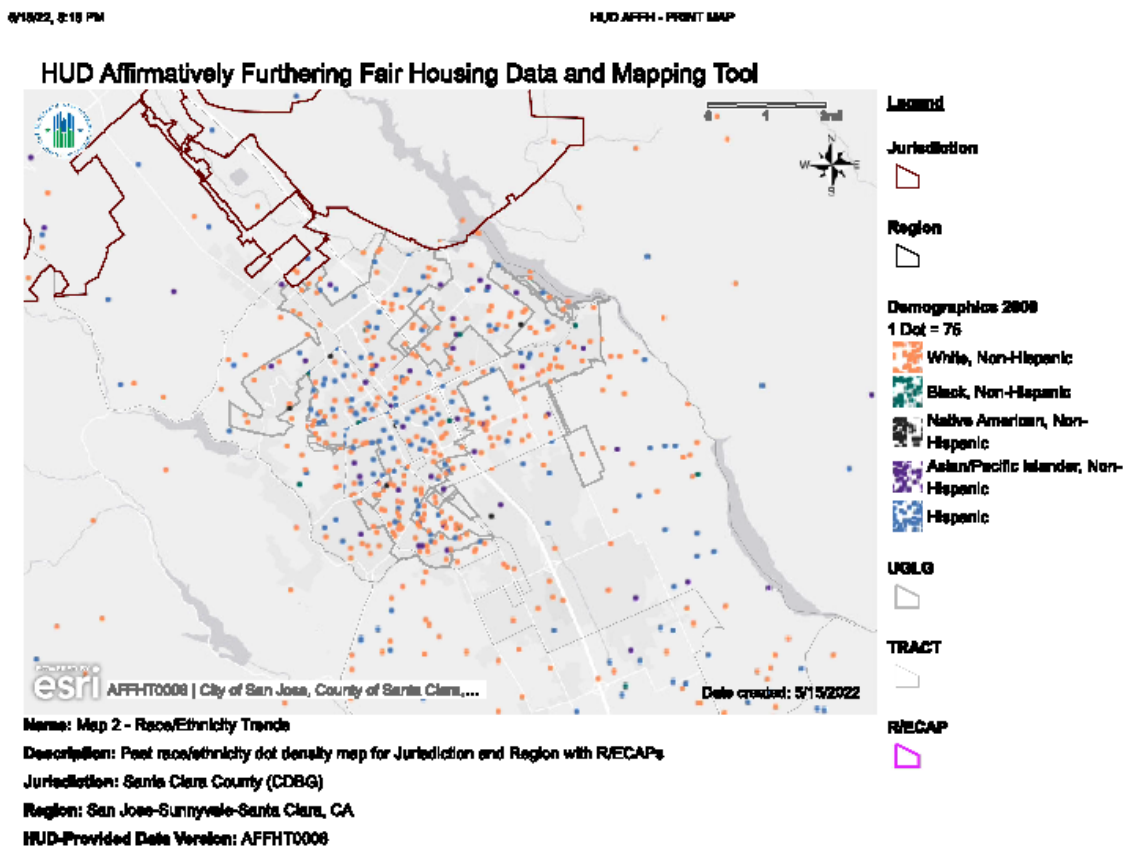
In the region, areas with the highest concentration of renters include Downtown and North San José; the northern portions of Mountain View, Sunnyvale, and Santa Clara; and the eastern portion of Gilroy. Areas with high concentrations of homeowners include the West Valley and large portions of South San José. In general, areas with concentrations of renters are more heavily Hispanic than the region as a whole, and areas with concentrations of homeowners are more heavily White than the region as a whole. Most of the region's R/ECAPs feature concentrations of renters.

1.e. Discuss how patterns of segregation have changed over time (since 1990).

Map 13: Race/Ethnicity in 1990, Morgan Hill



Map 14: Race/Ethnicity in 2000, Morgan Hill



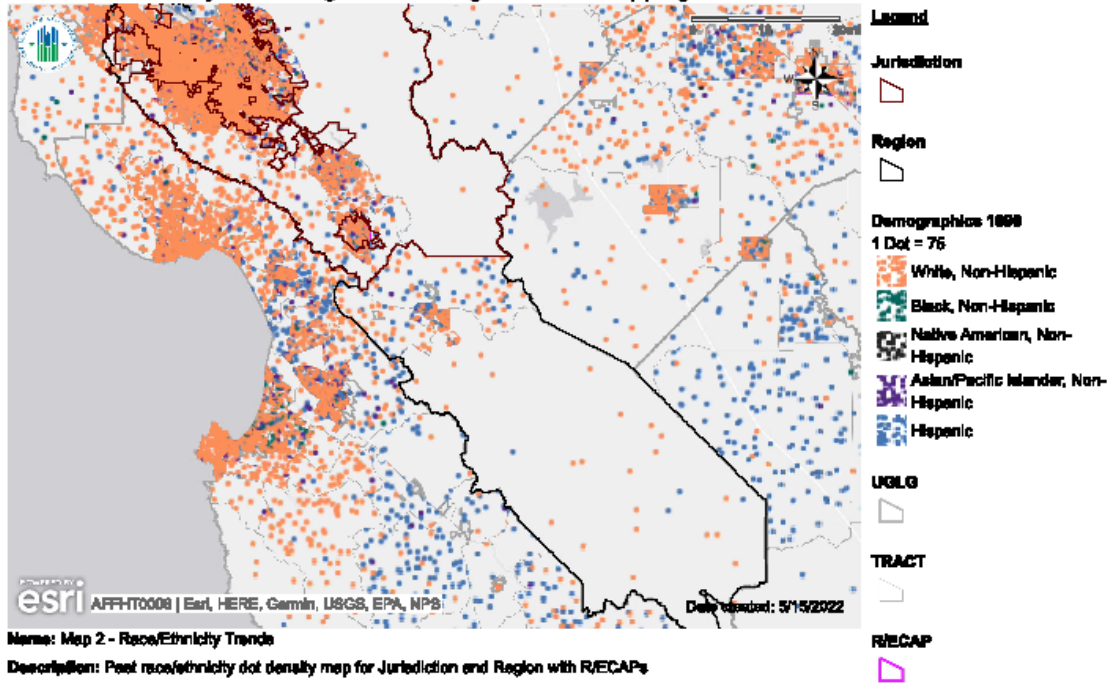
There have been subtle demographic changes between 1990-2000. The White population has decreased in tandem with increases in Mexican and Asian populations across the city. There has been greater integration throughout the city over the last decade.

Map 16: Racial Demographics in 1990, Region

5/15/22, 8:29 PM

HUD AFFH - PRINT MAP

HUD Affirmatively Furthering Fair Housing Data and Mapping Tool



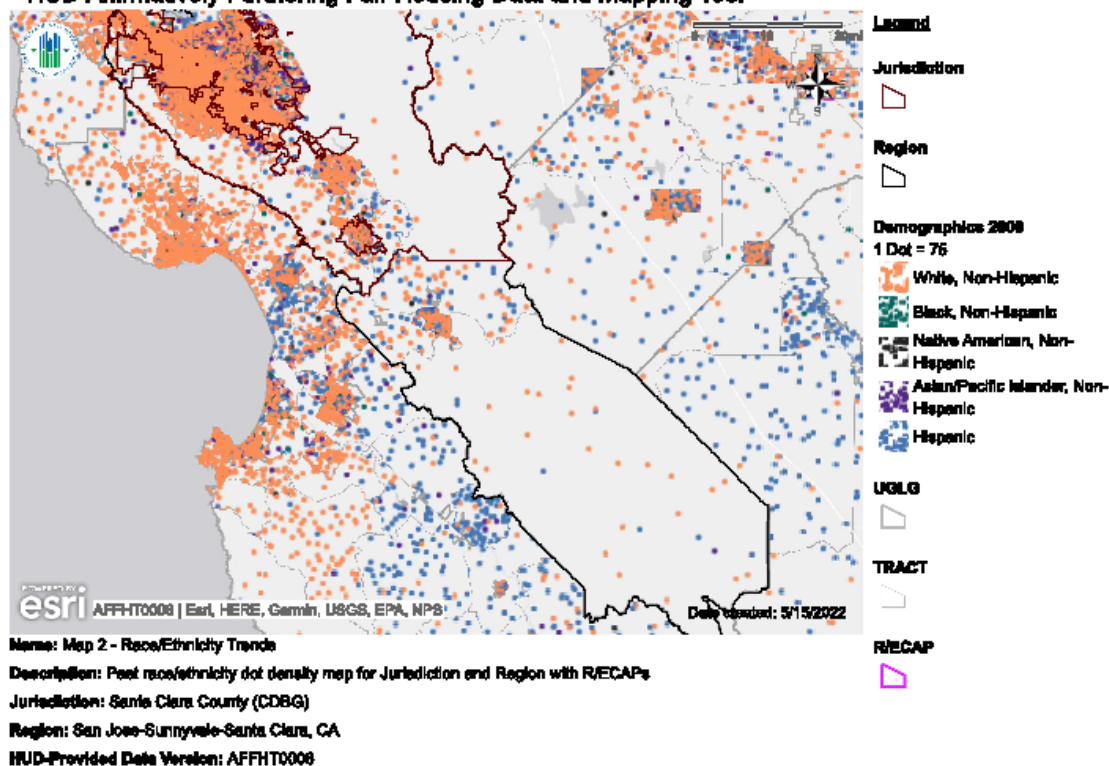
<https://affh.hud.gov/PrintMap/Print.htm?jurisdiction=000085&mapNumber=200&dataVersion=AFHT0008&zoom=2&lat=37.33&lon=-121.89&mapScale=local&mapType=gmap&dotSize=75&dotColor=48...> 1/1

Map 17: Racial Demographics in 2000, Region

8/18/22, 7:34 PM

HUD AFFH - PRINT MAP

HUD Affirmatively Furthering Fair Housing Data and Mapping Tool



<https://affh.hud.gov/PrintMap/PrintMap?jurisdiction=000085&mapNumber=201&dataVersion=AFHT0008&zoom=20&lat=37.33&lon=-121.89&mapScale=local&mapStyle=gray&dotValue=75&dotSize=4&...> 1/1

Regionally, the most evident trends since 1990 include significant reductions in White population in Milpitas, Cupertino, Santa Clara, Sunnyvale, and areas through San José, paired with significant increases in Asian population throughout those areas. When a broader view of the region is adopted, there have also been significant reductions in Black population in historical centers like East Palo Alto, East and West Oakland, the Western Addition in San Francisco, and Richmond, along with increases in Black population in eastern Contra Costa County and Vallejo.

Contributing Factors of Segregation

Consider the listed factors and any other factors affecting the jurisdiction and Region. Identify factors that significantly create, contribute to, perpetuate, or increase the severity of segregation.

Please see the Appendix for the following Contributing Factors to Segregation:

- Community opposition
- Displacement of residents due to economic pressures
- Lack of community revitalization strategies
- Lack of private investment in specific neighborhoods
- Lack of public investment in specific, neighborhoods, including services and amenities
- Lack of local or regional cooperation
- Land use and zoning laws
- Lending discrimination
- Location and type of affordable housing
- Loss of affordable housing
- Occupancy codes and restrictions
- Private discrimination
- Source of income discrimination
- Lack of public investment in specific, neighborhoods, including services and amenities

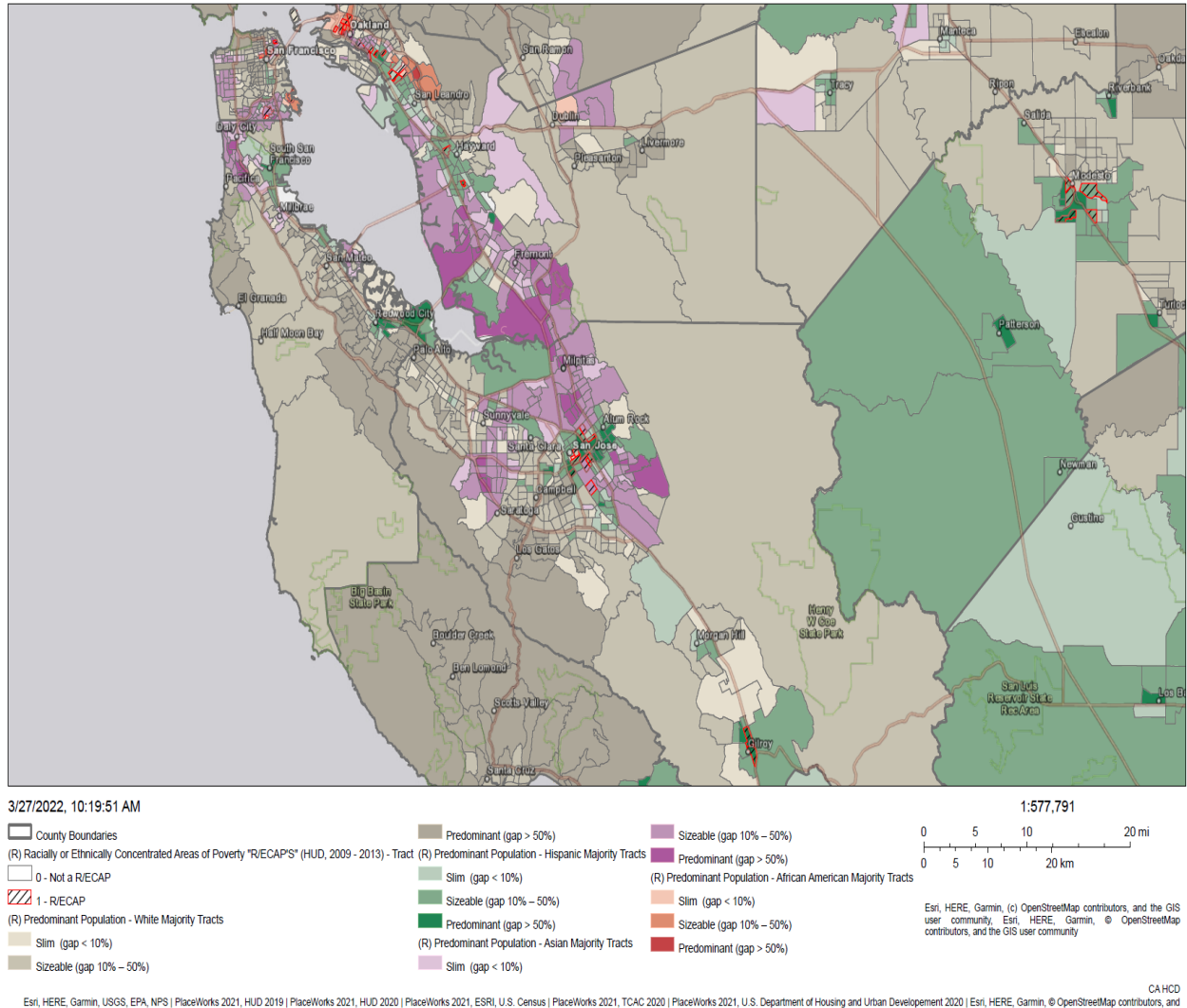
ii. Racially or Ethnically Concentrated Areas of Poverty

R/ECAPs are geographic areas with significant concentrations of poverty and minority populations. HUD has developed a census-tract based definition of R/ECAPs. In terms of racial or ethnic concentration, R/ECAPs are areas with a non-White population of 50 percent or more. With regards to poverty, R/ECAPs are census tracts in which 40 percent or more of individuals are living at or below the poverty limit or that have a poverty rate three times the average poverty rate for the metropolitan area, whichever threshold is lower.

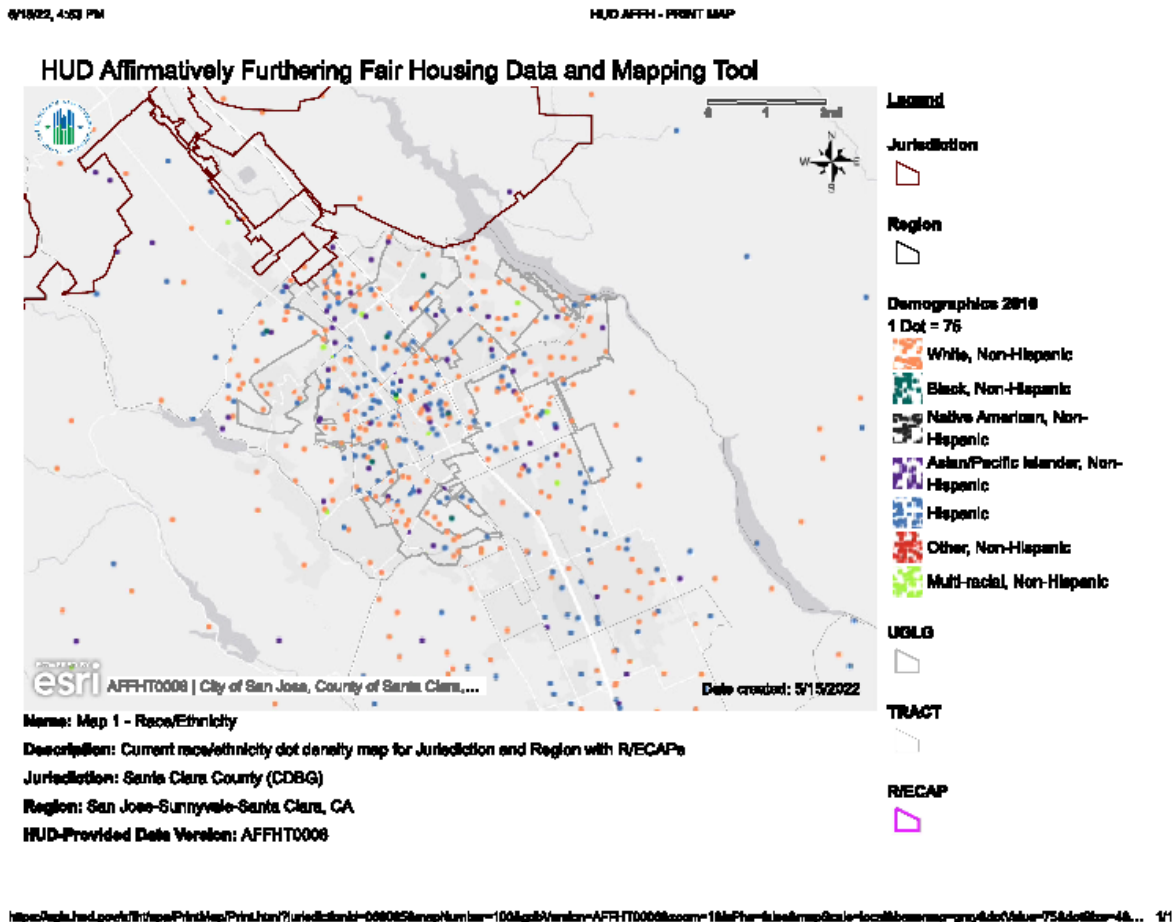
Where one lives has a substantial effect on mental and physical health, education, crime levels, and economic opportunity. Urban areas that are more residentially segregated by race and income tend to have lower levels of upward economic mobility than other areas. Research has found that racial inequality is thus amplified by residential segregation. Concentrated poverty is also associated with higher crime rates and worse health outcomes. However, these areas may also offer some opportunities as well. Individuals may actively choose to settle in neighborhoods containing R/ECAPs due to proximity to job centers. Ethnic enclaves in particular may help immigrants build a sense of community and adapt to life in the U.S. The businesses, social networks, and institutions in ethnic enclaves may help immigrants preserve their cultural identities while providing a variety of services that allow them to establish themselves in their new homes. Overall, identifying R/ECAPs facilitates understanding of entrenched patterns of segregation and poverty.

1.a. Identify any R/ECAPs or groupings of R/ECAP tracts within the jurisdiction and region.

Map 1: Regional R/ECAPs with Predominant Race/Ethnicity Population (2009-2013 data)



Map 2: R/ECAP in Morgan Hill with Race/Ethnicity



R/ECAPs in the region are concentrated in downtown and east San José, and there are more isolated R/ECAPs in Stanford, Milpitas, and Gilroy, as well. In general, areas with R/ECAPs tend to have higher Hispanic population concentrations than the region as a whole though Stanford is an outlier.

1.b Describe and identify the predominant protected classes residing in R/ECAPs in the jurisdiction and region. How do these demographics of the R/ECAPs compare with the demographics of the jurisdiction and region?

Table 1: R/ECAP Race/Ethnicity Demographics for Morgan Hill and San José-Sunnyvale-Santa Clara, CA Metropolitan Statistical Area.

	Morgan Hill		San Jose-Sunnyvale-Santa Clara Region	
R/ECAP Race/Ethnicity	#	%	#	%
Total Population in R/ECAPs	N/A	N/A	62,428	-
White, Non-Hispanic	N/A	N/A	10,865	17.40%
Black, Non-Hispanic	N/A	N/A	1,338	2.14%
Hispanic	N/A	N/A	29,552	47.34%
Asian or Pacific Islander, Non-Hispanic	N/A	N/A	18,924	30.31%
Native American, Non-Hispanic	N/A	N/A	85	0.14%
Other, Non-Hispanic	N/A	N/A	1,664	2.67%

There are no R/ECAPs in Morgan Hill. In the region, Hispanic residents make up the plurality of R/ECAP populations, at 47.34%. Asian and Pacific Islander, Non-Hispanic residents in the broader region make up 30.31% of the R/ECAP populations.

Table 2: R/ECAP Familial Status Demographics for Morgan Hill and San José-Sunnyvale-Santa Clara, CA Metropolitan Statistical Area.

	Morgan Hill		San Jose-Sunnyvale-Santa Clara Region	
R/ECAP Family Type				
Total Families in R/ECAPs	N/A	N/A	16,308	-

Families with children	N/A	N/A	5,701	34.96%
------------------------	-----	-----	-------	--------

In the R/ECAP in the region, households are less likely to be families with children than they are in either the city as a whole or in R/ECAPs in the broader region.

DRAFT

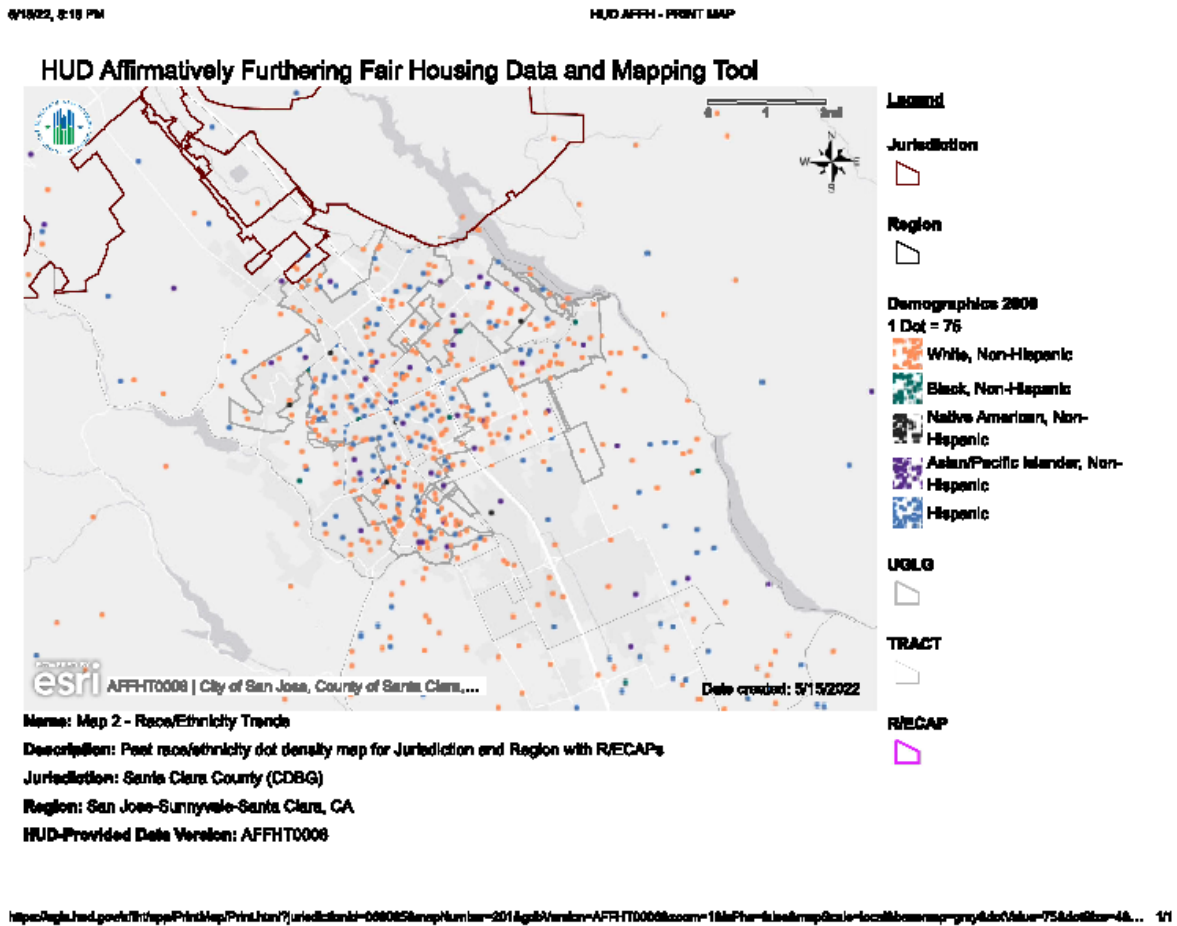
Table 3: R/ECAP National Origin Demographics for Morgan Hill and San José-Sunnyvale-Santa Clara, CA Metropolitan Statistical Area.

	Morgan Hill			San Jose-Sunnyvale-Santa Clara Region		
R/ECAP National Origin						
Total Population in R/ECAPs	N/A		N/A	25,056		-
#1 country of origin	N/A	N/A	N/A	Mexico	9,736	38.86%
#2 country of origin	N/A	N/A	N/A	Vietnam	6,491	25.91%
#3 country of origin	N/A	N/A	N/A	China, excl. Hong Kong and Taiwan	1,579	6.30%
#4 country of origin	N/A	N/A	N/A	Philippines	1,344	5.36%
#5 country of origin	N/A	N/A	N/A	India	1,033	4.12%
#6 country of origin	N/A	N/A	N/A	El Salvador	396	1.58%
#7 country of origin	N/A	N/A	N/A	Taiwan	373	1.49%
#8 country of origin	N/A	N/A	N/A	Korea	289	1.15%
#9 country of origin	N/A	N/A	N/A	Cambodia	212	0.85%
#10 country of origin	N/A	N/A	N/A	Brazil	196	0.78%

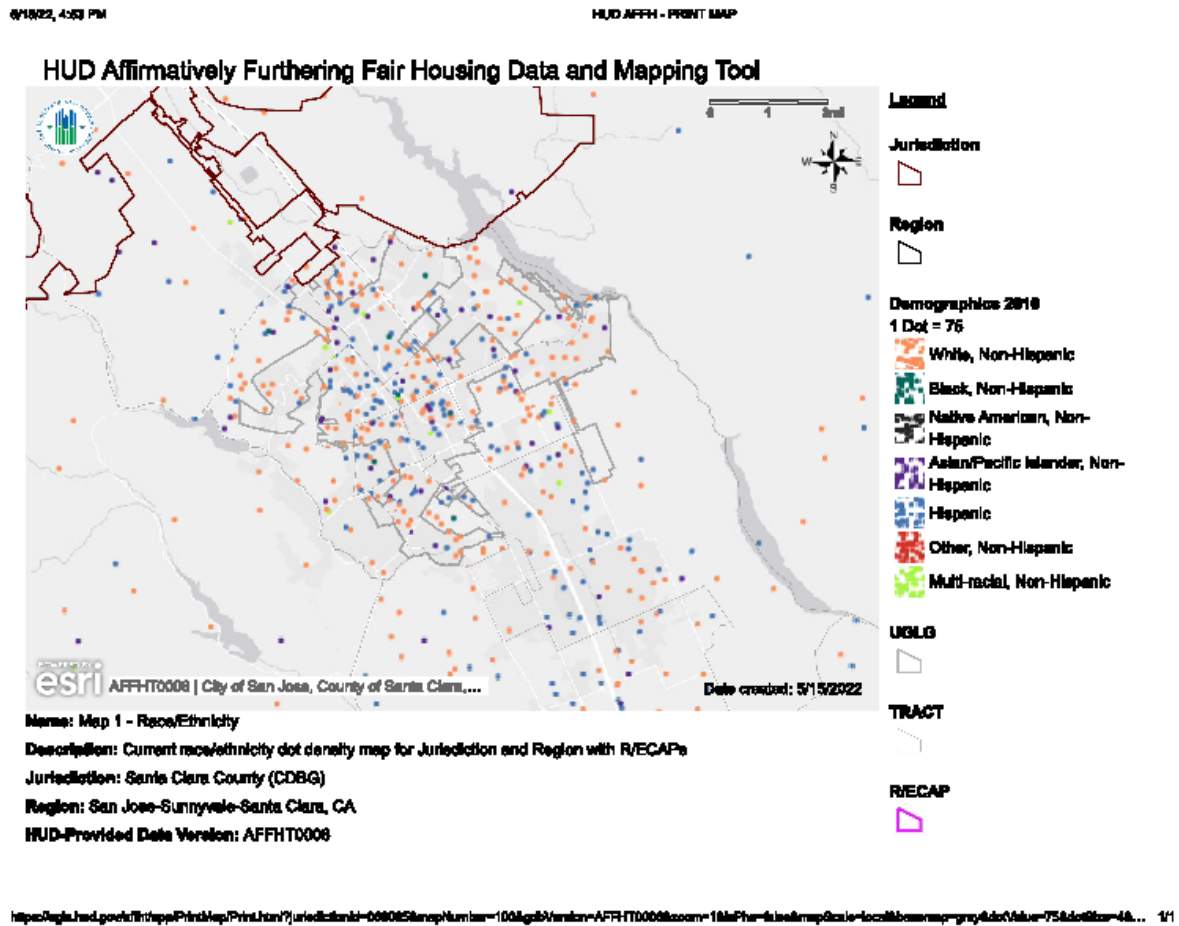
There are no R/ECAPs in Morgan Hill. In the R/ECAPs in the region, a significant majority of residents live in San Jose, are predominantly Mexican or Vietnamese national origin, and are more likely to be of Filipino, Taiwanese, or Indian national origin.

DRAFT

Map 4: R/ECAPs in 2000, Morgan Hill



Map 5: R/ECAPs in 2010, Morgan Hill



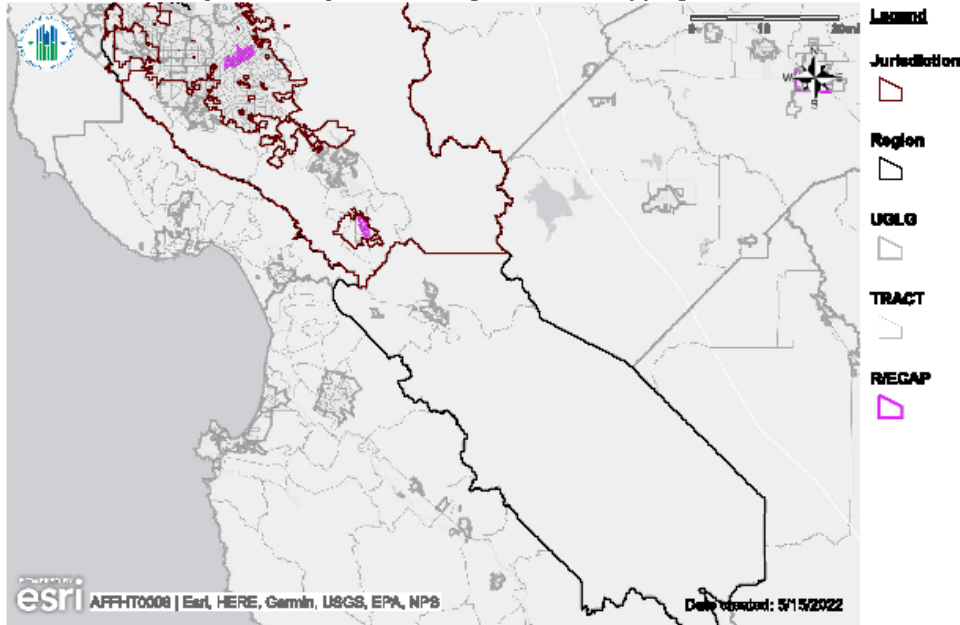
There were no R/ECAPs in Morgan Hill in 1990, 2000, and 2010,

Map 6: R/ECAPs in 1990, San Jose-Sunnyvale-Santa Clara Region

6/18/22, 7:48 PM

HUD AFFH - PRINT MAP

HUD Affirmatively Furthering Fair Housing Data and Mapping Tool



Map 2 - Race/Ethnicity Trends

Description: Post race/ethnicity dot density map for Jurisdiction and Region with R/ECAPs

Jurisdiction: Santa Clara County (CDBG)

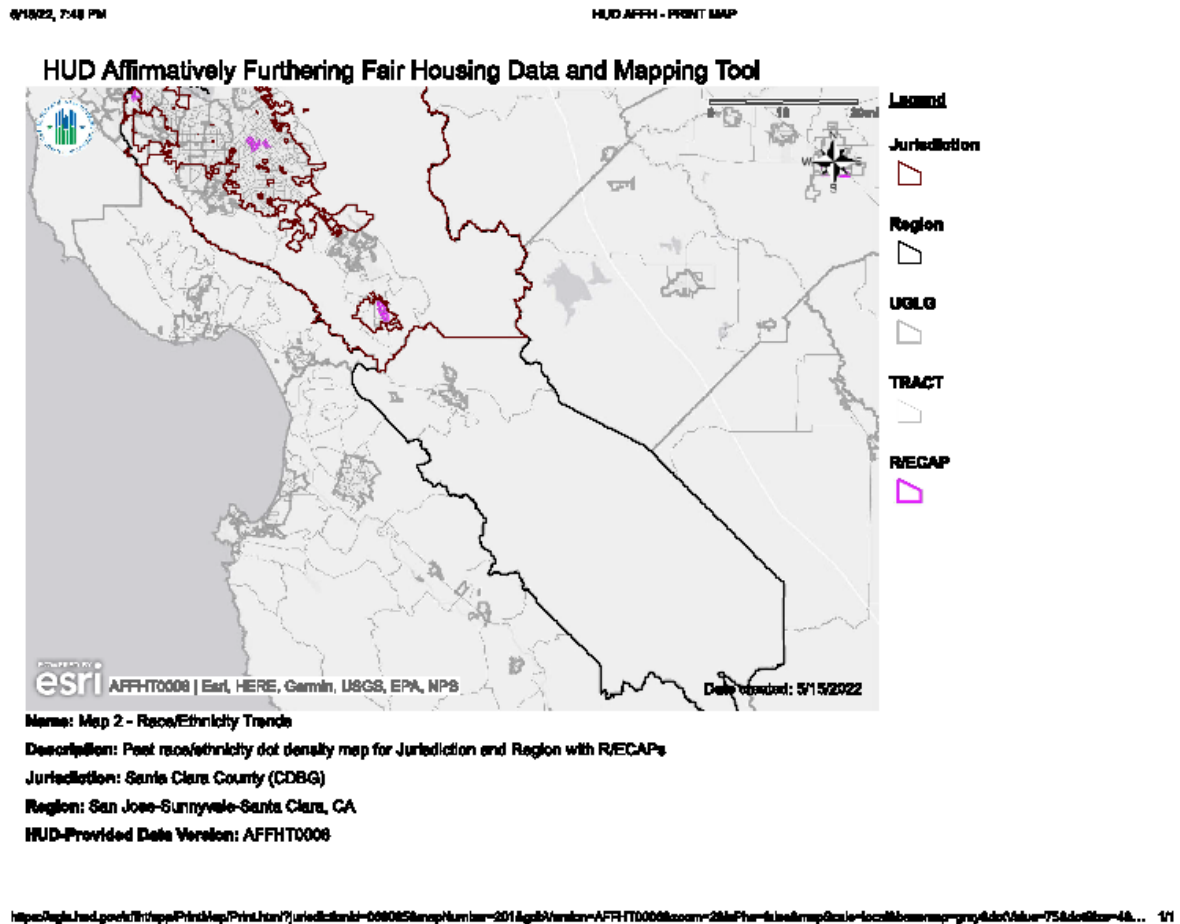
Region: San Jose-Sunnyvale-Santa Clara, CA

HUD-Provided Data Version: AFFHT0008

<https://affh.hud.gov/PrintMap/PrintMap?jurisdiction=000085&mapNumber=200&gsVersion=AFHT00008&zoom=2&lat=37.33&lon=-122.28&mapScale=local&mapStyle=gray&doAid=75&doSize=48...> 1/1



Map 7: R/ECAPs in 2000, San Jose-Sunnyvale-Santa Clara Region

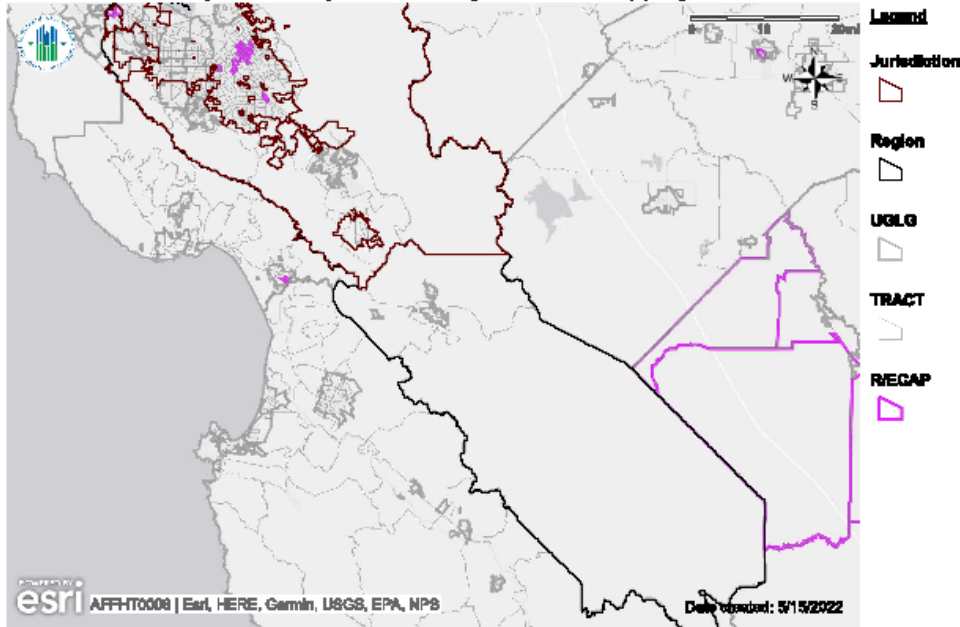


Map 8: R/ECAPs in 2010, San Jose-Sunnyvale-Santa Clara Region

6/18/22, 7:48 PM

HUD AFFH - PRINT MAP

HUD Affirmatively Furthering Fair Housing Data and Mapping Tool



Name: Map 2 - Race/Ethnicity Trends

Description: Past race/ethnicity dot density map for Jurisdiction and Region with R/ECAPs

Jurisdiction: Santa Clara County (CDBG)

Region: San Jose-Sunnyvale-Santa Clara, CA

HUD-Provided Data Version: AFFHT0008

<https://data.hud.gov/data/affh/printmap/printmap?jurisdiction=000085&mapNumber=2022&dataVersion=AFFHT0008&zoom=20&fit=false&mapScale=local&mapStyle=gray&doValue=75&doSize=46...> 1/1



The San José-Sunnyvale-Santa Clara Region has seen significant change since 1990. In the cluster of R/ECAPs in San José, Hispanic residents have become a greater concentration of the population as White residents have moved outwards. In contrast, the two census tracts designated as R/ECAPs in Gilroy in 2000 were no longer designated as census tracts in 2010, despite having a greater concentration of Hispanic residents than earlier. However, those two census tracts have been re-designated as R/ECAPs as of the latest data. In the northwest corner of the region, Stanford University has been designated as a R/ECAP since 2000, but this change likely comes from the fact that the university's student population has included a smaller proportion of White residents over time.

Contributing Factors of R/ECAPs

Please see the Appendix for the following Contributing Factors to R/ECAPs:

- Community opposition
- Deteriorated and abandoned properties
- Displacement of residents due to economic pressures
- Lack of community revitalization strategies
- Lack of local or regional cooperation
- Lack of private investments in specific neighborhoods
- Lack of public investments in specific neighborhoods, including services or amenities
- Land use and zoning laws
- Location and type of affordable housing
- Loss of affordable housing
- Occupancy codes and restrictions
- Private discrimination
- Source of income discrimination

iii. Disparities in Access to Opportunity

a. Disparities in Access to Opportunity – Education

i. Describe any disparities in access to proficient schools in the jurisdiction and region.

Table 1: School Proficiency Index for Morgan Hill and San José-Sunnyvale-Santa Clara, CA Metropolitan Statistical Area

Jurisdiction	Morgan Hill	Region
Total Population		
White, Non-Hispanic	53.85	76.43
Black, Non-Hispanic	53.24	64.99
Hispanic	47.91	59.06
Asian or Pacific Islander, Non-Hispanic	46.87	71.48
Native American, Non-Hispanic	N/A	65.33

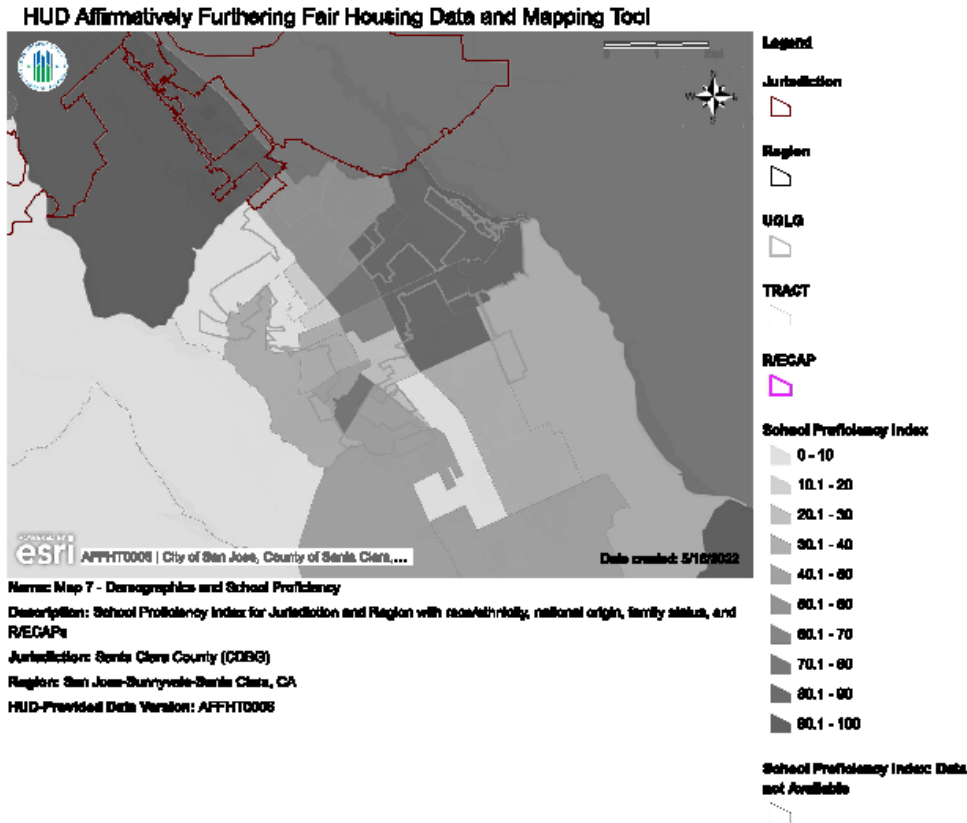
In Morgan Hill, the School Proficiency Index reflects extremely slight disparities in access to proficient schools with White and Black students having somewhat greater access to proficient schools than Hispanic and Asian students, respectively. Regionally, the slight disparities found in Morgan Hill are magnified, with White and Asian or Pacific Islander students having significantly greater access to proficient schools than Native American, Hispanic and Black students.

ii. Describe how the disparities in access to proficient schools relate to residential living patterns in the jurisdiction and region.

Map 1: School Proficiency, Morgan Hill

5/16/22, 8:29 AM

HUD AFFH - PRINT MAP



<https://digital.hud.gov/webapp/printmap/print.html?jurisdictionid=00000&mapNumber=700&gdVersion=AFFHT0008&zoom=1&lat=37.3382&lon=-121.8863&mapScale=local&mapStyle=gray&dotValue=75&dotSize=4&...> 1/1

Within Morgan Hill, there is some disparity between access to proficient schools relative to the concentration of Hispanic, Asian American, Black, and Native American residents. The portion of the city with the greatest access to proficient schools are in the eastern part of the city, which has a higher rate of White residents. Hispanic and Asian residents are more likely to live in other portions of the city with access to less proficient schools. There does not appear to be a relationship between access to proficient schools and familial status in Morgan Hill.

Regionally, disparities in access to proficient schools and race, ethnicity, and national origin are closely linked though, again, familial status does not appear to be correlated with access to proficient schools. The areas with the least access to proficient schools are concentrated in Downtown and East San José, including areas with concentrations of Hispanic residents as well as residents of Mexican and Vietnamese ancestry.

iii. Informed by community participation, any consultation with other relevant government agencies, and the participant's own local data and local knowledge, discuss programs, policies, or funding mechanisms that affect disparities in access to proficient schools.

In addition to the data discussed above, one key observation about disparities in access to proficient schools is that school districts in the broader region are highly fragmented. Not only does each city within Santa Clara County generally have its own school district, but many cities

are part of multiple school districts. This fragmentation hampers efforts to promote student mobility from areas with schools facing severe challenges to highly-resourced schools.

Morgan Hill also has a number of private schools for affluent families such as the Oakwood School, which has a tuition of almost \$28,000 per year.

b. Disparities in Access to Opportunity – Employment

i. Describe any disparities in access to jobs and labor markets by protected class groups in the jurisdiction and region.

The Labor Market Engagement Index and the Jobs Proximity Index are used to measure the strength of the labor market and location of available jobs within a location. The Labor Market Engagement Index provides a summary of the relative intensity of labor market engagement and human capital in a neighborhood. The Jobs Proximity Index quantifies a location's accessibility to employment. The indexes scores range from 0-100. A higher score correlates to greater access to employment.

Table 2: Labor Market and Jobs Proximity Indices, Morgan Hill and the Region

Morgan Hill	Labor Market Index	Jobs Proximity Index
Total Population		
White, Non-Hispanic	65.54	39.61
Black, Non-Hispanic	67.44	44.52
Hispanic	63.05	41.69
Asian or Pacific Islander, Non-Hispanic	64.27	44.76
Native American, Non-Hispanic	N/A	N/A
Region		
Total Population		
White, Non-Hispanic	77.72	51.47
Black, Non-Hispanic	66.37	49.26
Hispanic	54.64	40.37

Asian or Pacific Islander, Non-Hispanic	72.36	50.40
Native American, Non-Hispanic	64.12	46.65
Population below federal poverty line		
White, Non-Hispanics	72.46	54.66
Black, Non-Hispanic	61.15	47.46
Hispanic	49.31	41.30
Asian or Pacific Islander, Non-Hispanic	61.63	48.66
Native American, Non-Hispanic	54.76	49.93

In the city of Morgan Hill, Black residents have the highest Labor Market Engagement Index value when compared to other residents across racial/ethnic categories. Black residents experience a Labor Market Engagement Index value of 67.44, followed by White residents at 65.54, Asian or Pacific Islander residents at 64.27. Conversely, Hispanic residents have the lowest Labor Market Engagement Index values at 63.05. However, the range of indices across racial and ethnic categories is quite narrow.

Regionally, White residents have the highest Labor Market Engagement Index value when compared to other residents across racial/ethnic categories, and these disparities are greater regionally than in the City of Morgan Hill. White residents in the San Jose-Sunnyvale-Santa Clara, CA region experience a Labor Market Engagement Index value of 77.72, followed Asian or Pacific Islander residents at 72.36. Hispanic residents have the lowest Labor Market Engagement Index values across racial/ethnic categories in the San Jose-Sunnyvale-Santa Clara, CA region. Further, with the exception of Hispanic residents, non-White racial/ethnic groups have lower Labor Market Engagement Index values across the board when compared to Morgan Hill. Regionally, Hispanic residents experience a Labor Market Engagement Index value of 54.64, followed by Native American residents at 64.12, Black residents at 66.37.

In the city of Morgan Hill, Asian or Pacific Islander have the highest Jobs Proximity Index value at 44.76, followed by Black residents at 44.52 and Hispanic residents at 41.69. White residents have the lowest Jobs Proximity Index value at 39.61.

Regionally, all racial/ethnic groups experience higher Job Proximity Index values than the city of Morgan Hill except for Hispanic residents. In the San Jose-Sunnyvale-Santa Clara, CA region, White residents have a Jobs Proximity Index value of 51.47, followed by Asian or Pacific Islander residents at 50.40, Black residents at 49.26, Native American residents at 46.65 and Hispanic residents 40.37. In the City of Morgan, the racial/ethnic groups with the closest proximity to employment experience the highest engagement with the labor market except for White residents.

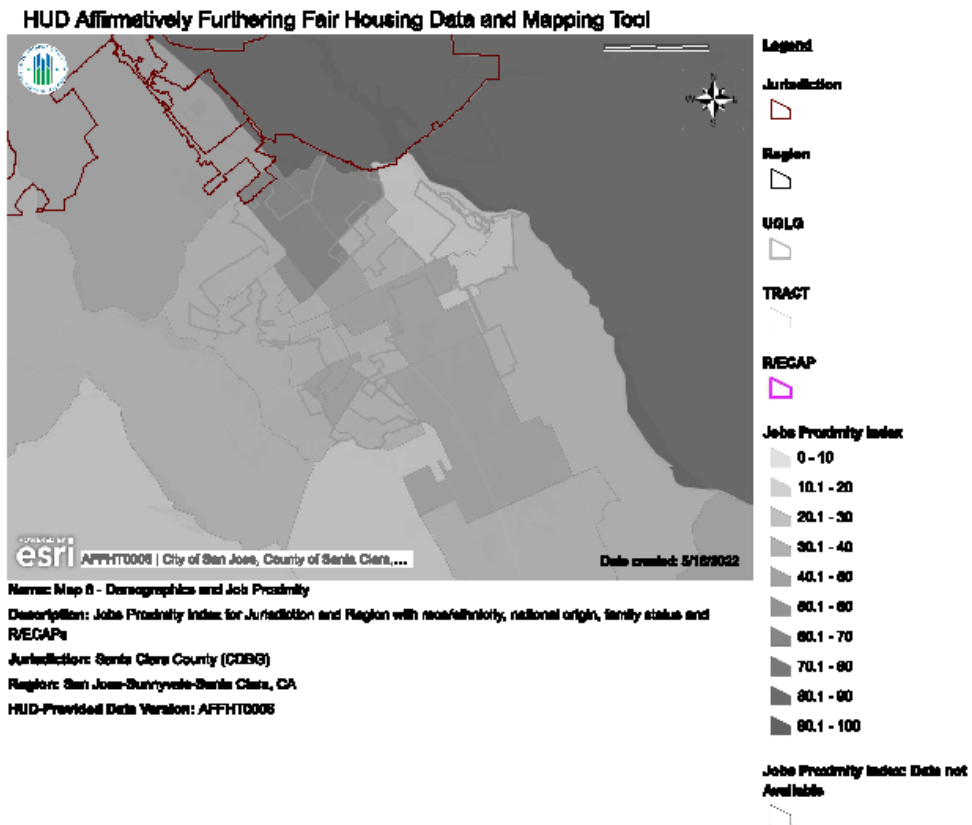
- ii. For the protected class groups HUD has provided data, describe how disparities in access to employment relate to residential living patterns in the jurisdiction and region.*

DRAFT

Map 2: Jobs Proximity, Morgan Hill

5/18/22, 8:30 AM

HUD AFFH - PRINT MAP

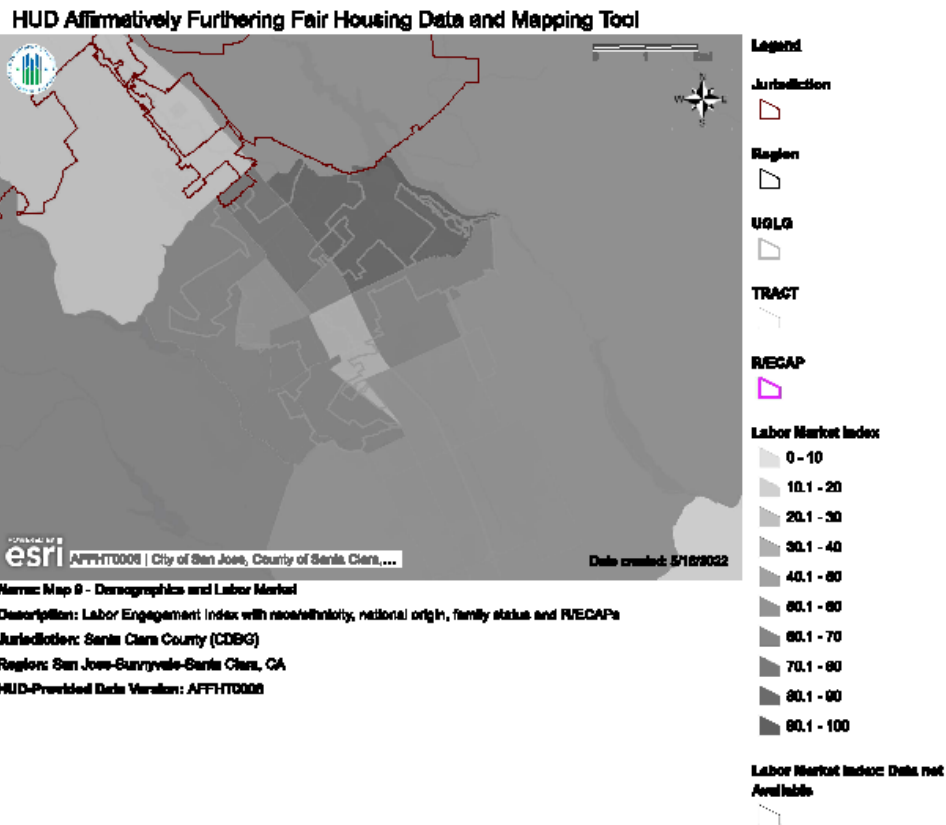


<https://data.hud.gov/data/mapping/print/print.html?jurisdictionid=00000&mapNumber=000&gdtVersion=AFHT0008&score=1&lat=37.338383&lon=-121.885333&scale=local&map=gray&dotValue=75&dotSize=48...> 1/1

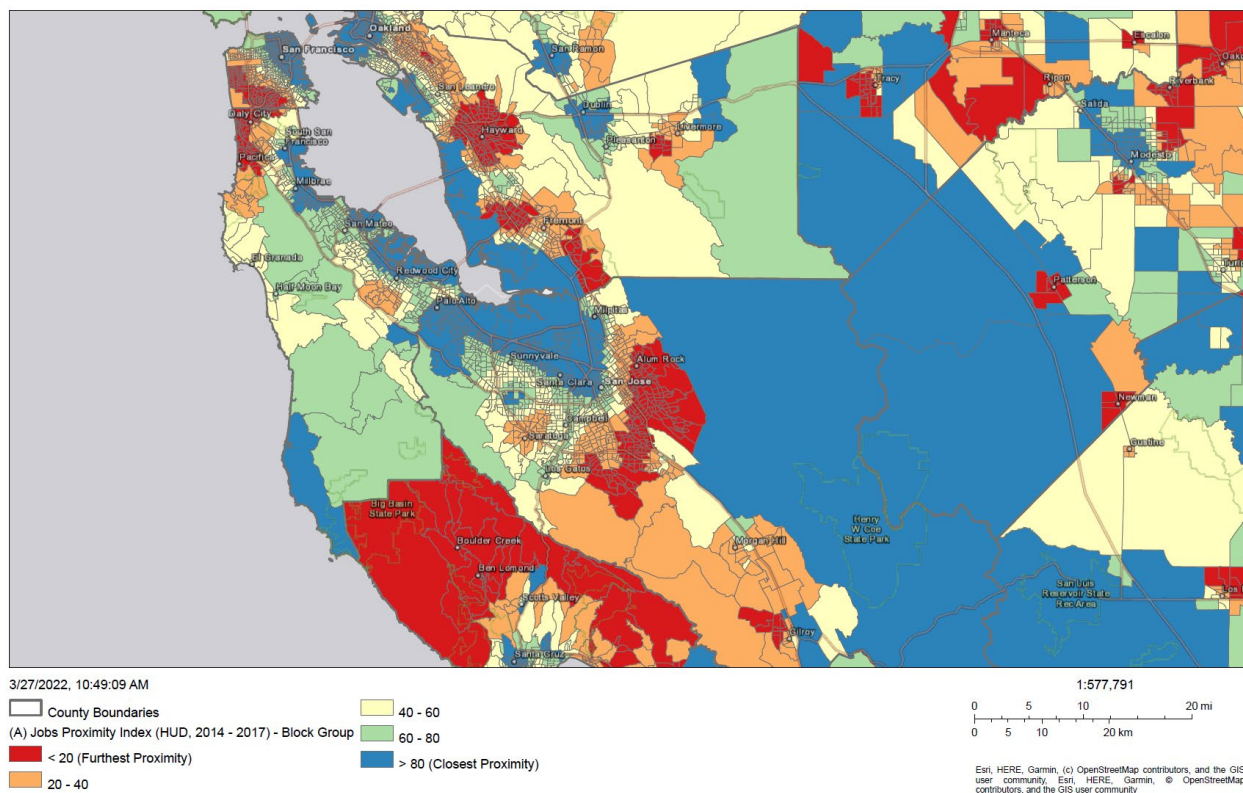
Map 3: Labor Market, Morgan Hill

5/18/22, 8:33 AM

HUD AFFH - PRINT MAP



Map 5: Job Proximity Index, Region



In Morgan Hill, disparities in both job proximity and labor-market engagement are small, and patterns of segregation do not appear to play a significant role in explaining them. Throughout the city there are similar jobs proximity and labor engagement. There is also similar jobs proximity throughout the city, with the northern section having a slightly higher jobs proximity. Regionally, however, the concentration of Hispanic, both in parts of East San José and in South County, which have low jobs proximity, does appear to explain disparities in jobs proximity. Additionally, the concentration of Hispanic residents in similar areas, including in R/ECAPs, partially explains the lack of social capital associated with lower labor market engagement.

iii. Informed by community participation, any consultation with other relevant government agencies, and the participant's own local data and local knowledge, discuss whether there are programs, policies, or funding mechanisms that affect disparities in access to employment.

Although Morgan Hill is home to some employers, it lacks the major employment centers of San Jose and northern Santa Clara County, which are home to major technology companies as well as higher education institutions and more government offices. The location of employers thus results in many Morgan Hill residents having long and costly commutes. According to the 2015-2019 American Community Survey, 22.7% of Morgan Hill workers have commutes of 60 minutes or longer as opposed to just 10.6% of Santa Clara County workers. The costs of these long commutes are more difficult for lower wage workers, who are disproportionately Hispanic, to bear than they are for others.

c. Disparities in Access to Opportunity – Transportation

- i. For the protected class groups HUD has provided data, describe any disparities in access to transportation related to costs and access to public transit in the jurisdiction and region.*

The Low Transportation Cost Index and Transit Trips Index are used to measure access to transportation within a location. The Low Transportation Cost Index measures access to low-cost transportation services, and the Transit Trips Index measures how often residents take transit trips. The index scores range from 0-100. A higher score correlates to greater transportation access.

Table 3: Transit and Low Transportation Cost Indices, Morgan Hill and the Region

Morgan Hill	Transit Index	Low Transportation Cost Index
Total Population		
White, Non-Hispanic	56.81	89.24
Black, Non-Hispanic	56.44	89.86
Hispanic	57.13	90.14
Asian or Pacific Islander, Non-Hispanic	56.82	89.39
Native American, Non-Hispanic	N/A	N/A
Region		
Total Population		
White, Non-Hispanic	75.69	93.05
Black, Non-Hispanic	79.03	94.25
Hispanic	76.70	93.43
Asian or Pacific Islander, Non-Hispanic	78.43	93.54

Native American, Non-Hispanic	76.14	93.31
--------------------------------------	--------------	--------------

In Morgan Hill, there is not much variance between Transit Trip Index values among racial/ethnic groups. Hispanic residents have the highest Transit Index value at 57.13, followed closely by Asian or Pacific Islander residents at 56.82, White residents at 56.81, and Black residents at 56.44. There is less than one point on the Transit Trip Index separating the highest and lowest racial/ethnic groups which speaks to the consistency of transit trips among those groups.

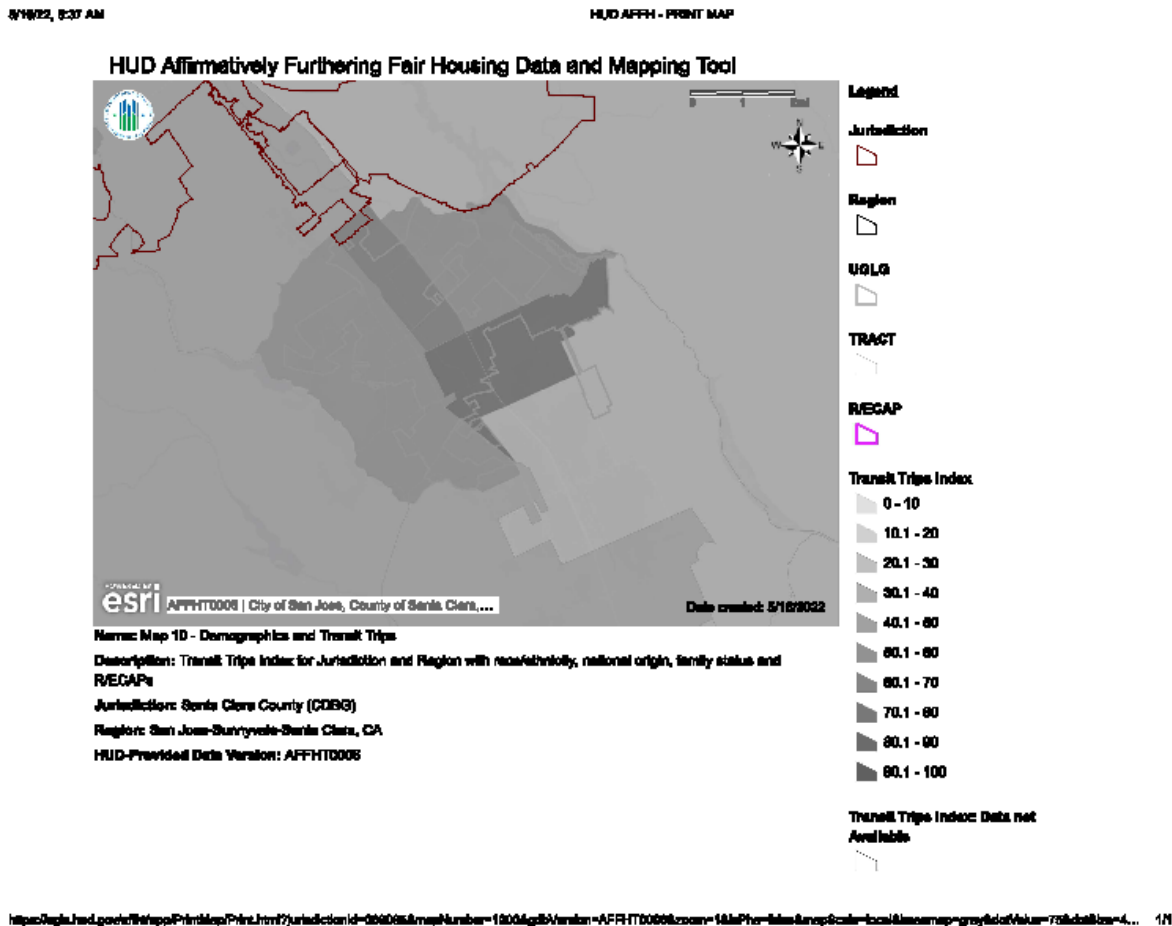
Similarly, in Morgan Hill there is not much variance between Low Transportation Cost Index values among racial/ethnic groups. Hispanic residents have the highest Low Transportation Cost Index value at 90.14, closely followed by Black residents at 89.86, Asian or Pacific Islander residents at 89.39, and White residents at 89.24. There is less than one point on the Low Transportation Cost Index separating the highest and lowest racial/ethnic groups which speaks to the consistency of transportation costs among those groups.

Regionally, in the San Jose-Sunnyvale-Santa Clara, CA region there is not much variance between Transit Trip Index values among racial/ethnic groups. Black residents have the highest Transit Trip Index value at 79.03, followed by Asian or Pacific Islanders at 78.43, Hispanic residents at 76.70, Native American residents at 76.14, and White residents at 75.69.

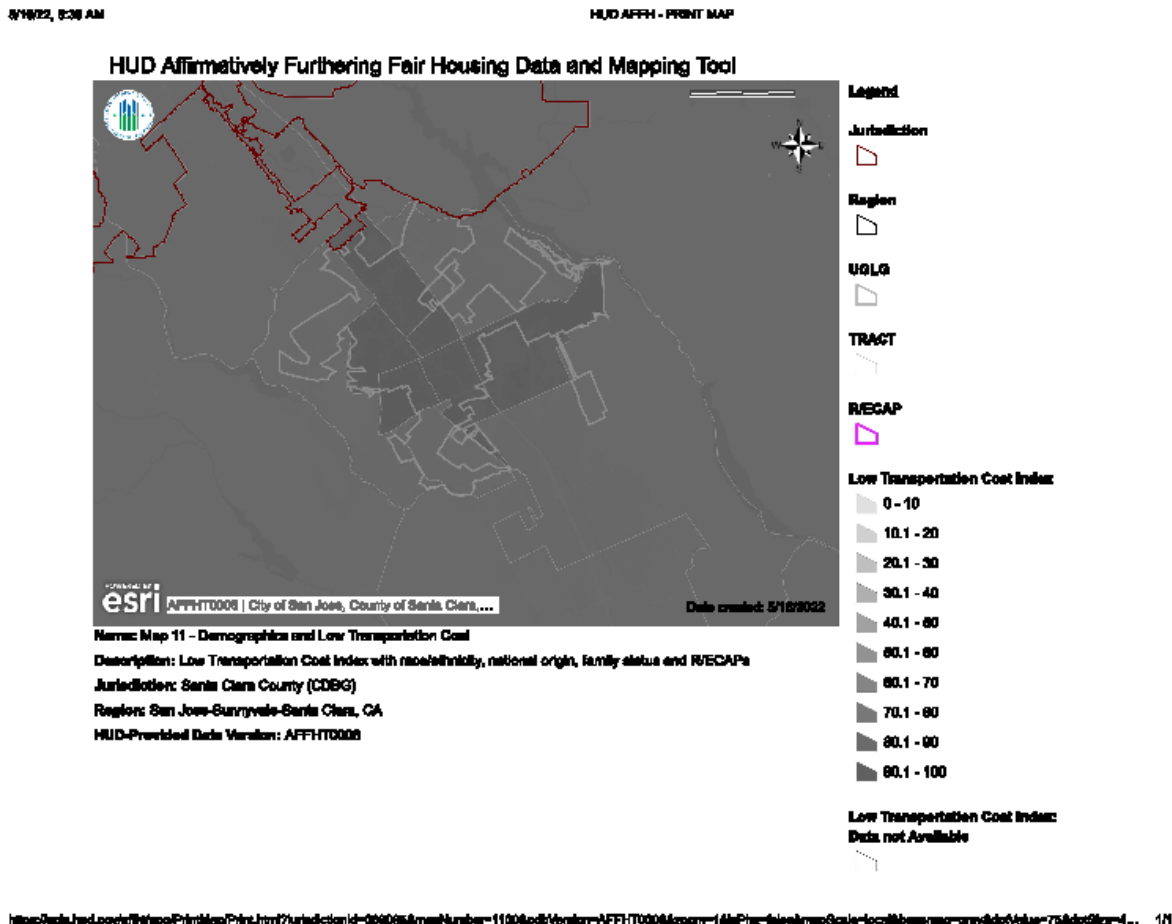
Similarly, Low Transportation Cost Index values are also consistent among racial/ethnic groups. Black residents have the highest Low Transportation Cost Index value at 94.25, followed by Asian or Pacific Islanders 93.54, Hispanic residents at 93.51, and Native American residents at 93.31, Asian or Pacific Islanders 93.22 and White residents at 93.05. There is approximately one point on the Low Transportation Cost Index separating the highest and lowest racial/ethnic groups which speaks to the consistency of transportation costs among those groups. These regional values are also all within 5 points of their respective Morgan Hill values, which at least superficially highlights the consistency in transportation cost among the city of Morgan Hill and the surrounding region.

- ii. ***For the protected class groups HUD has provided data, describe how disparities in access to transportation related to residential living patterns in the jurisdiction and region.***

Map 6: Transit Trips, Morgan Hill



Map 7: Low Transportation Cost, Morgan Hill



As discussed above, there do not appear to be significant disparities in transit access based on race and ethnicity in either Morgan Hill or the broader region. Therefore, patterns of segregation do not appear to be fueling disparities, which are not present. With that said, some of the highest resource communities in the region – like those in the West Valley – have extremely limited transit access. Although this does not fuel disparities in access to transit among groups that are less likely to be able to live in these cities, their lack of transit may fuel exclusion by, for instance, decreasing the viability of mixed-income transit-oriented development that would help diversify communities.

iii. Informed by community participation, any consultation with other relevant government agencies, and the participant's own local data and local knowledge, discuss whether there are programs, policies, or funding mechanisms that affect disparities in access to transportation.

Public transportation is extremely limited in Morgan Hill. Caltrain¹ and VTA² offer regional service between Morgan Hill and San Jose, but that service is relatively infrequent. Additionally, Caltrain fares are unaffordable for some low-income commuters. VTA also operates local bus service in Morgan Hill, but that service also suffers from geographic coverage gaps in the eastern part of the city and long headways.³

d. Disparities in Access to Opportunity – Access to Low Poverty Neighborhoods

- i. For the protected class groups HUD has provided data, describe any disparities in access to low poverty neighborhoods in the jurisdiction and region.*

Table 4: Low Poverty Index, Morgan Hill and the Region

Morgan Hill	Low Poverty Index
Total Population	
White, Non-Hispanic	67.46
Black, Non-Hispanic	61.99
Hispanic	62.56
Asian or Pacific Islander, Non-Hispanic	67.12
Native American, Non-Hispanic	N/A
Region	
Total Population	
White, Non-Hispanic	75.89
Black, Non-Hispanic	64.86
Hispanic	56.33
Asian or Pacific Islander, Non-Hispanic	71.81

¹ <https://www.caltrain.com/stations/systemmap.html>

² <https://www.vta.org/go/routes/68>

³ <https://www.vta.org/go/routes/87>

Native American, Non-Hispanic	65.04
Population below federal poverty line	
White, Non-Hispanics	69.23
Black, Non-Hispanic	63.00
Hispanic	49.41
Asian or Pacific Islander, Non-Hispanic	62.03
Native American, Non-Hispanic	60.52

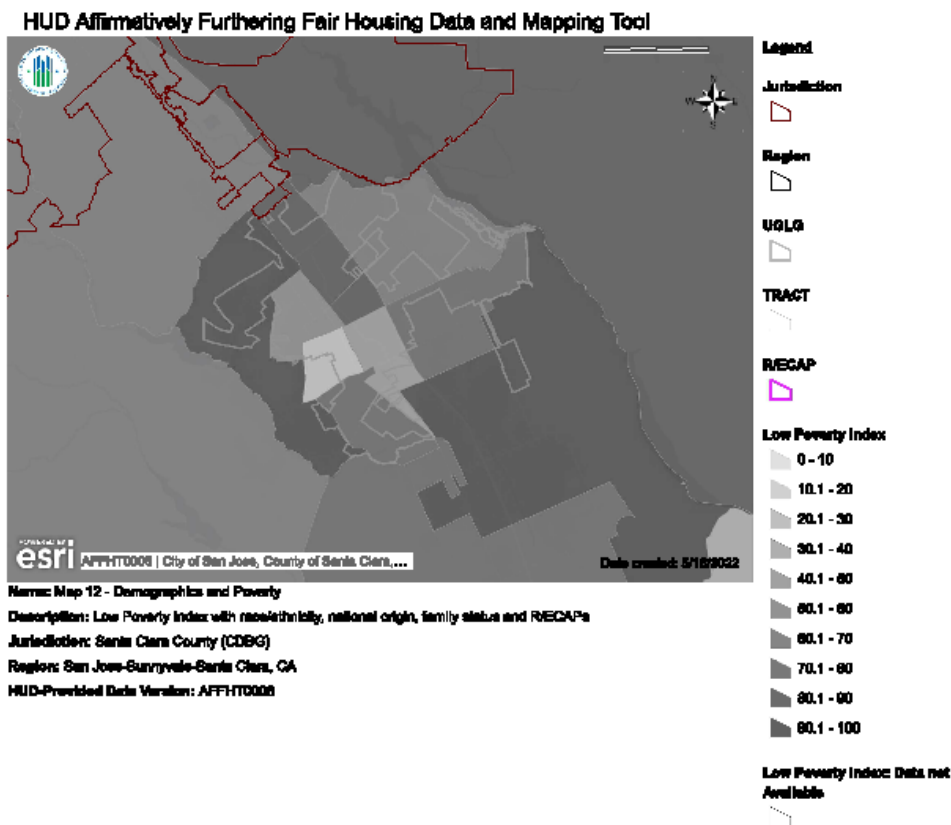
In Morgan Hill, there are minimal disparities among protected class groups with respect to access to low poverty neighborhoods, although Hispanic and Black households have slightly less access to low poverty neighborhoods than do other groups. Regionally, disparities are much more pronounced, and Hispanic households, in particular, and Black and Native American households, to a lesser extent, have much lower access to low poverty neighborhoods than do White and Asian or Pacific Islander households.

- ii. For the protected class groups HUD has provided data, describe how disparities in access to low poverty neighborhoods relate to residential living patterns of those groups in the jurisdiction and region.*

Map 8, Low Poverty Neighborhoods, Morgan Hill

5/18/22, 9:41 AM

HUD AFFH - PRINT MAP



<https://data.hud.gov/data/affh/printmap/print.html?jurisdictionid=00000&mapNumber=12004&version=AFFHT0008&zoom=10&phi=37.75&mapScale=local&map=gray&dataValue=70&dataSize=4...> 1M

In Morgan Hill, Census Tract 5123.13 has a Low Poverty Indices of 28, the lowest in the city. In that census tract, Hispanics residents comprise over sixty percent of residents, which is considerably higher than the rest of the city. The predominant national origin in that census tract is Mexican-American. There are two census tracts with a high Low Poverty Indices. One tract, 5123.10, is located on the east side of the City adjacent to the lowest poverty tract and has a White population of almost seventy percent. The other census tract with a high Low Poverty Indices is located in a majority-White unincorporated area to the south of the city. Regionally, the association between areas with limited access to low poverty neighborhoods and disproportionately Hispanic areas is even stronger, and areas with more concentrated population of Vietnamese national origin also have somewhat lower levels of access to low poverty neighborhoods. Families with children do not appear to be cut off from access to low poverty neighborhoods, whether in Morgan Hill or the broader region.

iii. Informed by community participation, any consultation with other relevant government agencies, and the participant's own local data and local knowledge, discuss whether there are programs, policies, or funding mechanisms that affect disparities in access to low poverty neighborhoods.

Efforts by Morgan Hill to foster the development of affordable housing for families are likely to reduce disparities in access to low poverty neighborhoods. The city is fairly well integrated and has developed numerous affordable housing units. The limited public transportation options and lack of local job centers present limitations in truly increasing opportunities for all.

e. Disparities in Access to Opportunity – Access to Environmentally Healthy Neighborhoods

- i. For the protected class groups for which HUD has provided data, describe any disparities in access to environmentally healthy neighborhoods in the jurisdiction and region.*

Table 5: Environmental Health Index, Morgan Hill and the Region

Morgan Hill	Environmental Health Index
Total Population	
White, Non-Hispanic	62.46
Black, Non-Hispanic	63.08
Hispanic	61.90
Asian or Pacific Islander, Non-Hispanic	62.16
Native American, Non-Hispanic	N/A
Region	
Total Population	
White, Non-Hispanic	46.93
Black, Non-Hispanic	41.34
Hispanic	42.87
Asian or Pacific Islander, Non-Hispanic	47.20
Native American, Non-Hispanic	44.16

Population below federal poverty line	
White, Non-Hispanics	44.03
Black, Non-Hispanic	41.98
Hispanic	41.17
Asian or Pacific Islander, Non-Hispanic	43.23
Native American, Non-Hispanic	45.72

In Morgan Hill, any disparities in access to environmentally healthy neighborhoods are practically imperceptible. Regionally, disparities still are not vast, but they are wide enough to signify that Hispanic and Asian American residents have slightly lower access to environmentally healthy neighborhoods than do White and Asian or Pacific Islander residents. It is also worth noting that the Environmental Health Index is significantly higher in Morgan Hill than it is region-wide. Morgan Hill's 2035 General Plan's Natural Resources and Environment Element lays out numerous strategies for preserving open space, agricultural uses, hillsides, riparian areas, wildlife habitat, and other natural features.

- ii. ***For the protected class groups for which HUD has provided data, describe how disparities in access to environmentally healthy neighborhoods relate to residential living patterns in the jurisdiction and region.***

HUD Affirmatively Furthering Fair Housing Data and Mapping Tool

Legend

- Jurisdiction**
- Region**
- USLS**
- TRACT**
- RUECAP**

Environmental Health Index

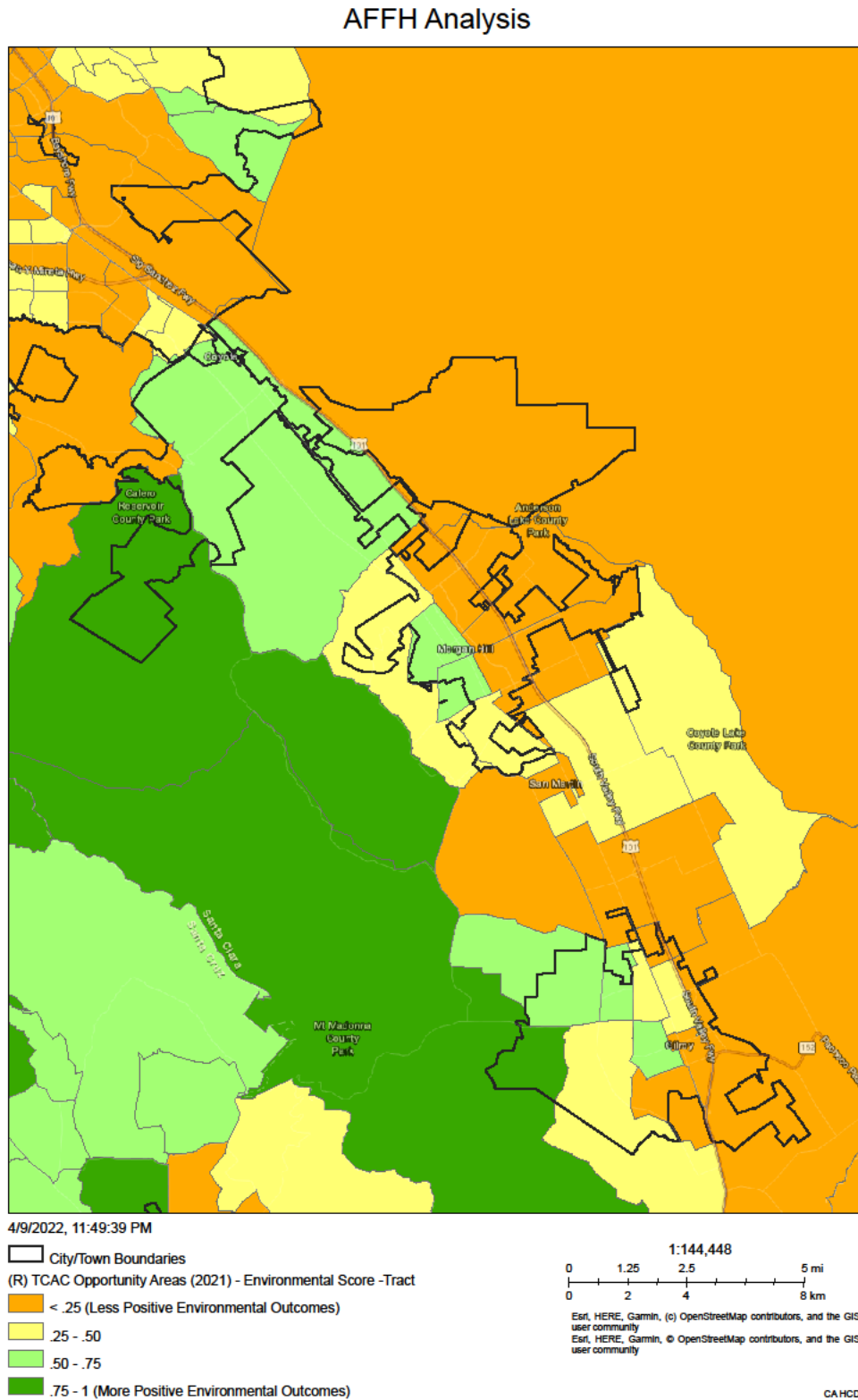
- 0 - 10
- 10.1 - 20
- 20.1 - 30
- 30.1 - 40
- 40.1 - 50
- 50.1 - 60
- 60.1 - 70
- 70.1 - 80
- 80.1 - 90
- 80.1 - 100

Environmental Health Index: Data not Available

Map Information:

- Map Name:** Map 13 - Demographics and Environmental Health
- Description:** Environmental Health Index with race/ethnicity, national origin, family status and RUECAPs
- Jurisdiction:** Santa Clara County (CDBG)
- Region:** San Jose-Sunnyvale-Santa Clara, CA
- HUD-Provided Data Version:** AFFHT0008
- Date created:** 5/18/2022

Map 10: Environmental Score, Morgan Hill



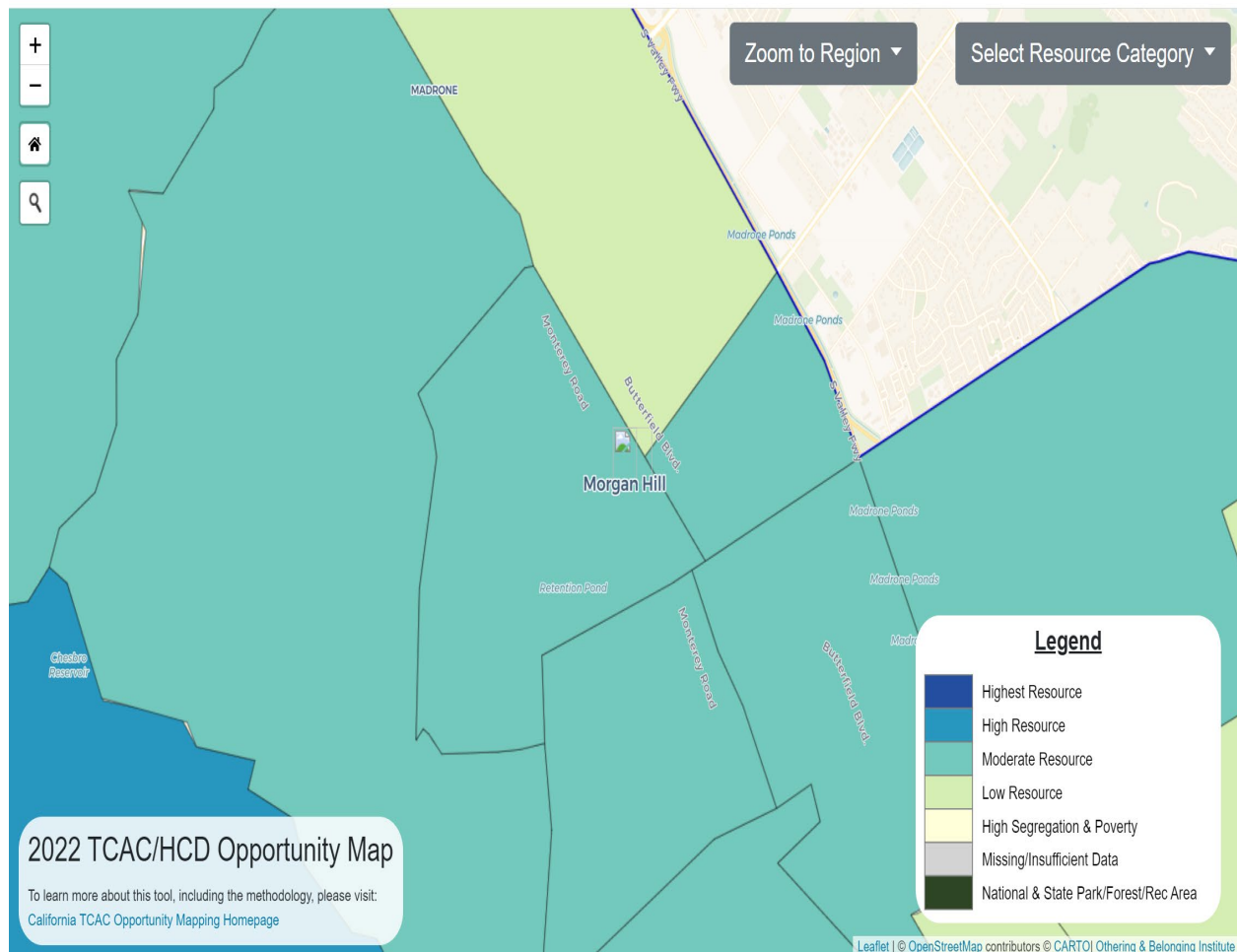
In Morgan Hill, patterns of segregation do not appear to fuel disparities in access to environmentally healthy neighborhoods as, again, such disparities do not exist. There is minimal racial and ethnic segregation in Morgan Hill. In the region, by contrast, patterns of segregation of Hispanic residents in San José, in particular, do appear to contribute to disparities in access to environmentally healthy neighborhoods.

iii. Informed by community participation, any consultation with other relevant government agencies, and the participant's own local data and local knowledge, discuss whether there are programs, policies, or funding mechanisms that affect disparities in access to environmentally healthy neighborhoods.

In Morgan Hill, highways and vehicle emissions are by far the most significant driver of poor environmental health. There are ongoing efforts to reduce vehicle trips through transit expansion – including the Morgan Hill Transit Center, which currently consists of VTA rail service and VTA bus service. Consistent with State Law, the city adopted a Morgan Hill Community-Based Transportation Plan (CBTP) to improve transit access and reduce car emissions and is implementing SB 743 on a project-by-project basis.

f. Disparities in Access to Opportunity – Patterns in Disparities in Access to Opportunity

i. For the protected class groups for which HUD has provided data, identify and discuss any overarching patterns of access to exposure to adverse community factors. Include how these patterns compare to patterns of segregation, integration, and R/ECAPs. Describe these patterns for the jurisdiction and region.

Map 11, TCAC Opportunity Areas, Morgan Hill

Overall, in Morgan Hill, most areas of the city generally have high access to opportunity and limited exposure to adverse community factors, but there are some nuances within the city. The California Tax Credit Allocation Committee's 2022 map of Opportunity Areas rates all residentially developed portions of Morgan Hill as Moderate or Low Resource. The north portion of the city is considered low resource while the rest of the city is considered moderate resource. This is likely due to the lack of good transportation and limited access to local jobs.

Many of these trends are replicated regionally. With some notable exceptions, such as jobs-rich Cupertino, areas with greater transit and job access tend to be those with worse environmental health. Additionally, areas with less transit and job access tend to be those with greater access to proficient schools and low poverty neighborhoods. This mirrors patterns of segregation and R/ECAPs in the region. R/ECAPs, which tend to be disproportionately Hispanic, generally have higher access to transportation and higher job proximity (which does not necessarily mean that neighborhood residents are able to secure those jobs) and less access to proficient schools, environmentally healthy neighborhoods, and low poverty neighborhoods.

- ii. Based on the opportunity indicators assessed above, identify areas that experience (A) high access; and (b) low access across multiple indicators.**

In Morgan Hill, disparities between neighborhoods are generally slight with respect to most indicators except for the Low Poverty Index and the School Proficiency Index. With respect to those two indices, downtown Morgan Hill has less access to opportunity than other parts of the city, and eastern Morgan Hill has more access. Regionally, job proximity and transit access are greatest in the northern part of Santa Clara County though access is lower in the West Valley than it is in the cities of Santa Clara, Sunnyvale, Mountain View, and Palo Alto. Access to proficient school and low poverty neighborhoods is highest in the West Valley as well as in the parts of larger North County cities that are further south and west of U.S. Route 101. South County generally has higher access to environmentally healthy neighborhoods.

Contributing Factors of Disparities in Access to Opportunity

Please see the Appendix for the following Contributing Factors to Disparities in Access to Opportunity:

- Access to financial services
- Availability, type, frequency, and reliability of public transportation
- Impediments to mobility
- Lack of access to opportunity due to high housing costs
- Lack of private investments in specific neighborhoods
- Lack of public investments in specific neighborhoods, including services or amenities
- Lack of local or regional cooperation
- Land use and zoning laws
- Lending discrimination
- Location and type of affordable housing
- Location of employers
- Location of environmental health hazards
- Location of proficient schools and school assignment policies
- Loss of affordable housing
- Occupancy codes and restrictions
- Private discrimination
- Source of income discrimination

iv. Disproportionate Housing Needs

1.a Which groups (by race/ethnicity and family status) experience higher rates of housing cost burden, overcrowding, or substandard housing when compared to other groups? Which groups also experience higher rates of severe housing burdens when compared to other groups?

As shown in the tables below, a slightly greater percent of households in Morgan Hill experience housing problems than in the region generally. White and Asian American Households in Morgan Hill, but not Hispanic or Black households, are less likely to experience housing problems than in the region as a whole. However, almost one-half of Hispanic households in Morgan Hill experience housing problems.

Non-family households and larger families, comprised of five or more people in a household, also experience high rates of housing problems (54.7% and 45.7% respectively) in comparison to smaller family households.

Table 1: Demographics of Households with Disproportionate Housing Needs. Morgan Hill and the Region

Disproportionate Housing Needs	Morgan Hill			Region		
	# with problems	total # households	% with problems	# with problems	total # households	% with problems
Households experiencing any of 4 housing problems						
Total	5,565	14,670	37.9%	234,515	653,265	35.9%
White, Non-Hispanic	2,935	8,785	33.4%	79,900	270,985	29.5%
Black, Non-Hispanic	145	355	40.8%	7,345	15,835	46.4%
Hispanic	1,695	3,515	48.2%	69,000	128,450	53.7%
Asian or Pacific Islander, Non-Hispanic	600	1,645	36.5%	71,917	220,540	32.6%
Family households, <5 people	2,945	9,585	30.7%	90,400	350,225	25.8%
Family households, 5+ people	860	1,880	45.7%	28,475	64,170	44.4%
Non-family households	1,750	3,200	54.7%	31,315	127,410	24.6%

Households experiencing any of 4 Severe Housing Problems	# with severe problems	total # households	% with severe problems	# with severe problems	total # households	% with severe problems
Total	2,775	14,670	18.9%	148,550	653,265	22.7%
White, Non-Hispanic	1,325	8,785	15.1%	44,145	270,985	16.3%
Black, Non-Hispanic	45	355	12.7%	4,690	15,835	29.6%
Hispanic	984	3,515	28.0%	48,175	128,450	37.5%
Asian or Pacific Islander, Non-Hispanic	345	1,645	21.0%	47,952	220,540	21.7%
Note 1: The four housing problems are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, and cost burden greater than 30%. The four severe housing problems are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, and cost burden greater than 50%.						
Note 2: All % represent a share of the total population within the jurisdiction or region, except household type and size, which is out of total households.						
Note 3: Data Sources: CHAS						
Note 4: Refer to the Data Documentation for details (www.hudexchange.info/resource/4848/affh-data-documentation).						

The disparities in severe housing problems across races show that 28% of Hispanic households and 21% of Asian American households in Morgan Hill experience severe housing problems. Over 15% of White households and over twelve percent of Black households experience severe housing problems.

Table 2: Demographics of Households with Severe Housing Cost Burden

Households with Severe Housing Cost Burden	Morgan Hill			Region		
	# with severe cost burden	# households	% with severe cost burden	# with severe cost burden	# households	% with severe cost burden
Total	2,145	14,670	14.6%	43,535	653,265	6.7%
White, Non-Hispanic	1,165	8,785	13.3%	20,070	270,985	7.4%

Black, Non-Hispanic	45	355	12.7%	770	15,835	4.9%
Hispanic	620	3,515	17.6%	8,460	128,450	6.6%
Asian or Pacific Islander, Non-Hispanic	250	1,645	15.2%	13,365	220,540	6.1%
Household Type and Size						
Family households, <5 people	1,030	9,680	10.6%	53,045	350,225	15.1%
Family households, 5+ people	284	1,785	15.9%	9,025	64,170	14.1%
Non-family households	828	3,199	25.9%	42,113	127,410	33.1%
Note 1: Severe housing cost burden is defined as greater than 50% of income.						
Note 2: All % represent a share of the total population within the jurisdiction or region, except household type and size, which is out of total households.						
Note 3: The # households is the denominator for the % with problems, and may differ from the # households for the table on severe housing problems.						
Note 4: Data Sources: CHAS						
Note 5: Refer to the Data Documentation for details (www.hudexchange.info/resource/4848/affh-data-documentation).						

In Morgan Hill, Hispanic households are most likely to experience severe housing cost burden, followed by Asian American families. In fact, all groups in Morgan Hill have higher levels of severe cost burden than the region. Between 12.7% and 17% of households have a high cost burden in Morgan Hill versus a range of 4.9% to 7.4% in the region.

Non-family households in both Morgan Hill and the region are most likely to have a high cost burden. In Morgan Hill, large family households have the second highest percentage of cost burdened households, followed by small family households. In the region, small family households have a slightly higher percentage of severe cost-burdened households, followed by large families.

Table 3: Percentage of Overcrowded Households by Race or Ethnicity, Morgan Hill

	Non-Hispanic White Households	Black Households	Asian American or Pacific Islander Households	Hispanic Households
Morgan Hill	1.7%	0%	5.3%	13.9%

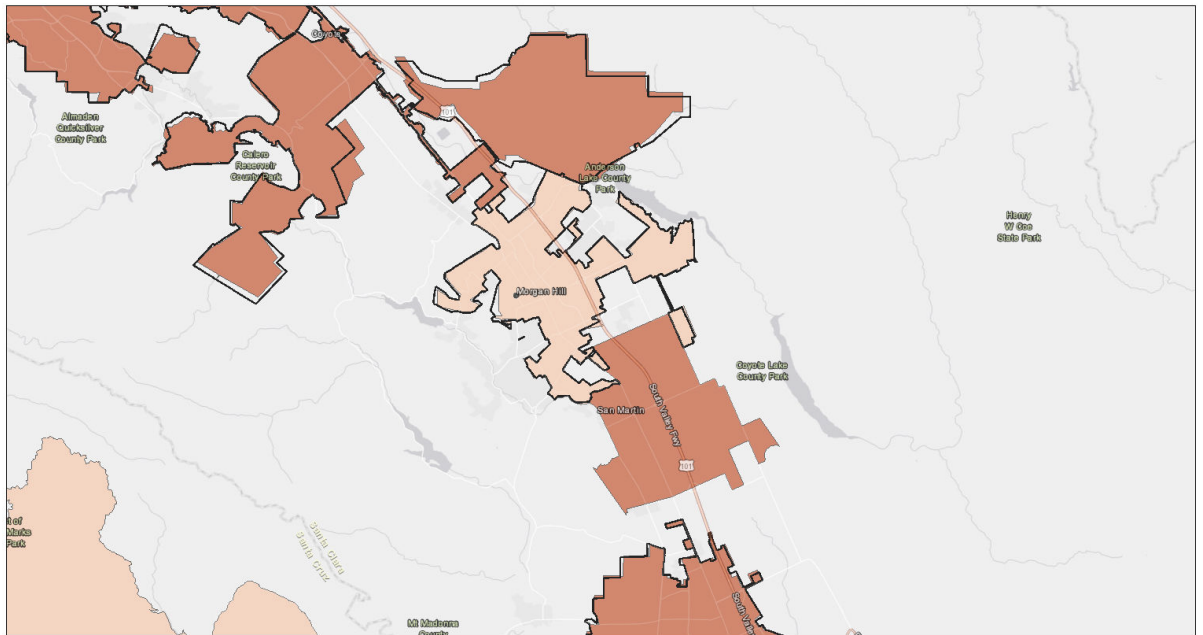
Region	2.6%	7.3%	8.4%	17.1%
--------	------	------	------	-------

In addition to the data provided by HUD above, the American Community Survey also provides data detailing the numbers of households subject to overcrowding or incomplete plumbing and kitchen facilities. 13.9% Hispanic households experience overcrowding, followed by 5.3% of Asian American households. In the region, Hispanic and Asian Americans are also most likely to experience overcrowding. Overcrowding is not a common issue for White or Black households in Morgan Hill.

1.b. Which areas in the jurisdiction and Region experience the greatest housing burdens? Which of these areas align with segregated areas, integrated areas, or R/ECAPs and what are the predominant race/ethnicity or national origin groups in such areas?

Map 1: Percent of Households with Any of the Four Housing Problems, Morgan Hill

Households with Severe Housing Problems



5/16/2022, 8:49:04 AM

City/Town Boundaries

(A) Percent of all households with any of the 4 severe housing problems (lacks complete kitchen, lacks complete plumbing, severely overcrowded, severely cost-burdened) - (ACS, CHAS) - City Level

< 20%

20% - 40%

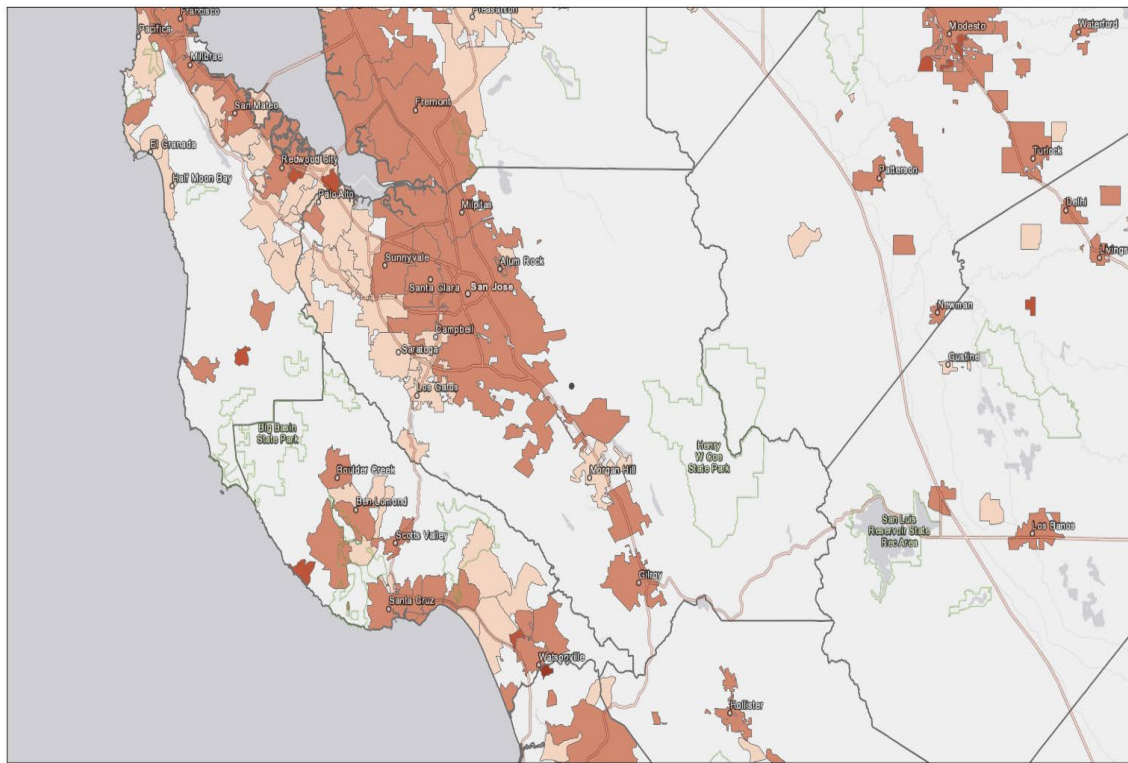
1:144,448

0 1.5 3 6 mi
0 2.25 4.5 9 km

Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community, Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community

CAHCD
County of Santa Clara, County of Santa Cruz, Bureau of Land Management, Esri, HERE, Garmin, USGS, EPA, NPS | PlaceWorks 2021, HUD 2019 | PlaceWorks 2021, HUD 2020 | PlaceWorks 2021, ESRI, U.S. Census | PlaceWorks 2021, TCAC 2020 | PlaceWorks 2021, U.S. Department of Housing and Urban

DK

Map 2: Percent of Households with Any of the Four Housing Problems, Region

12/24/2021, 1:09:27 AM

County Boundaries

(A) Percent of all households with any of the 4 severe housing problems (lacks complete kitchen, lacks complete plumbing, severely overcrowded, severely cost-burdened) - (ACS, CHAS) - City Level

< 20%

20% - 40%

40% - 60%

60% - 80%

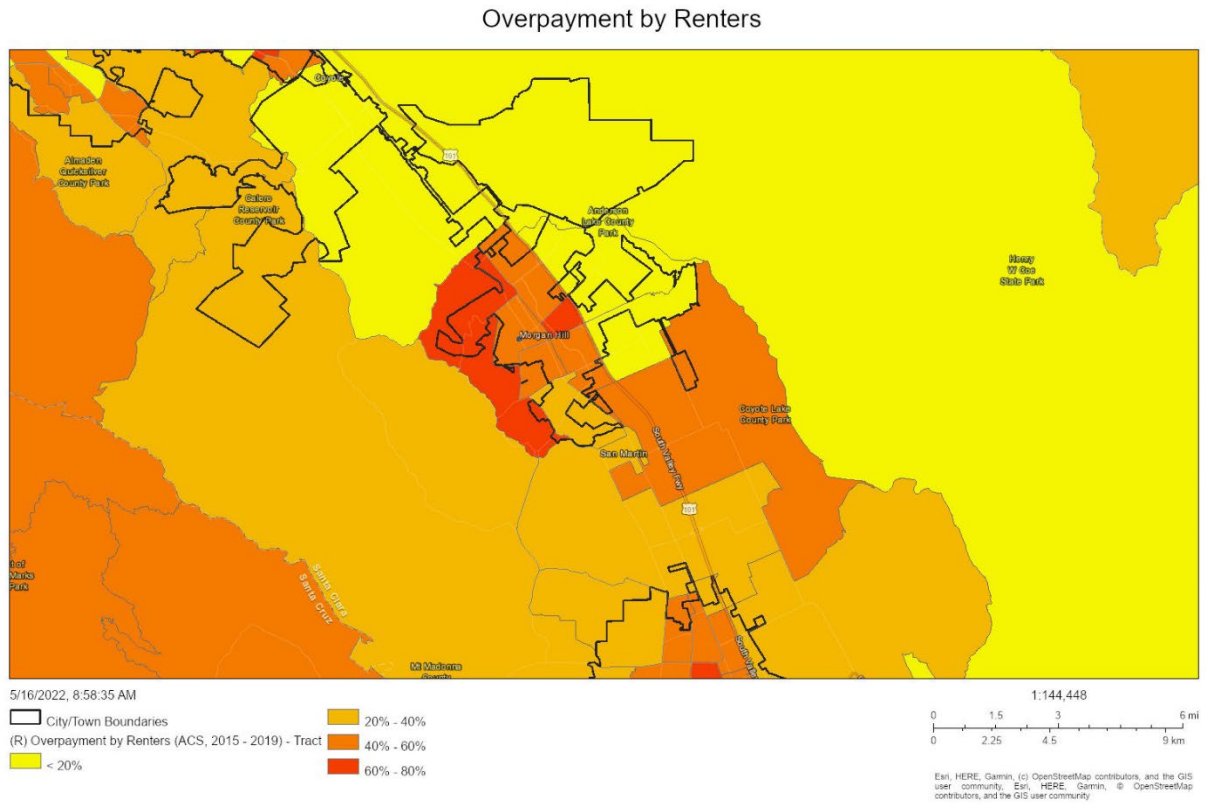
1:577,791

0 5 10 20 mi
0 5 10 20 km

Esri, HERE, Garmin, © OpenStreetMap contributors, and the GIS user community, Esri, HERE, Garmin, USGS, EPA, NPS

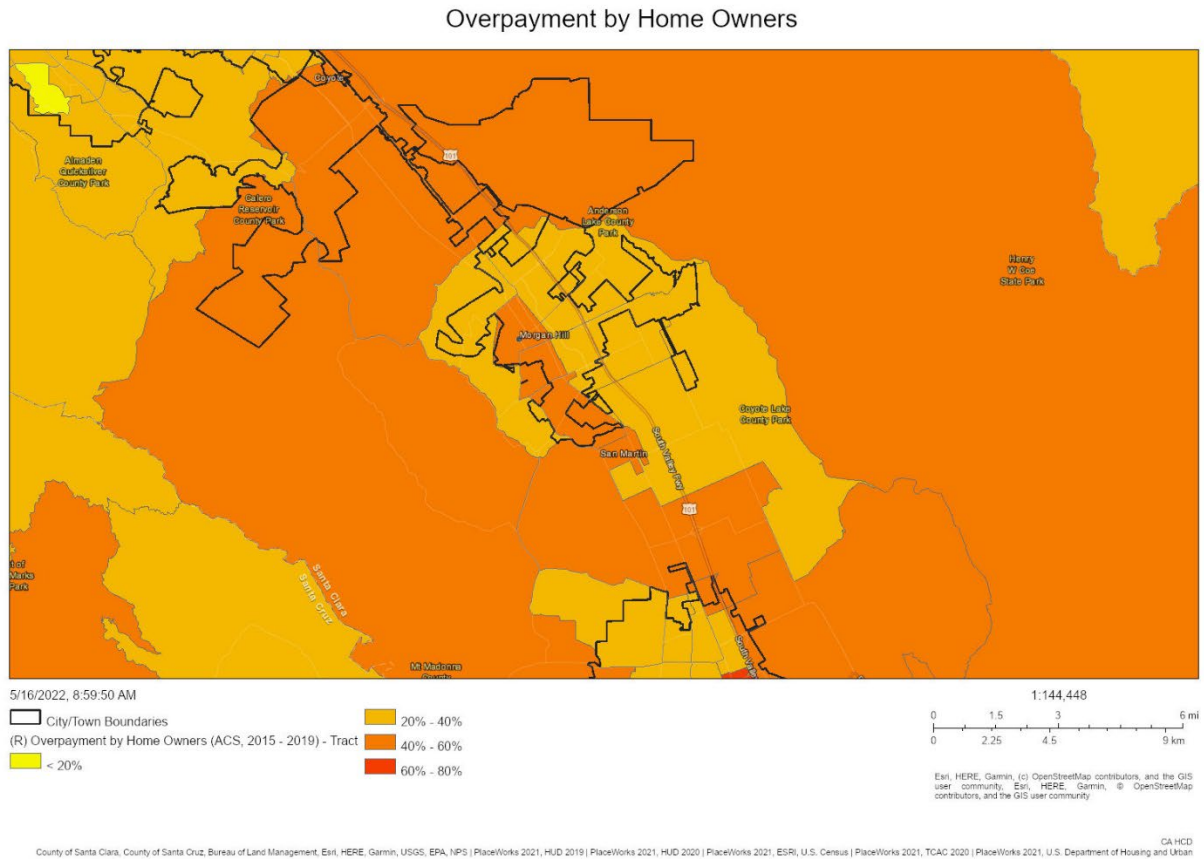
DRAFT

Map 3: Overpayment by Renters, Morgan Hill

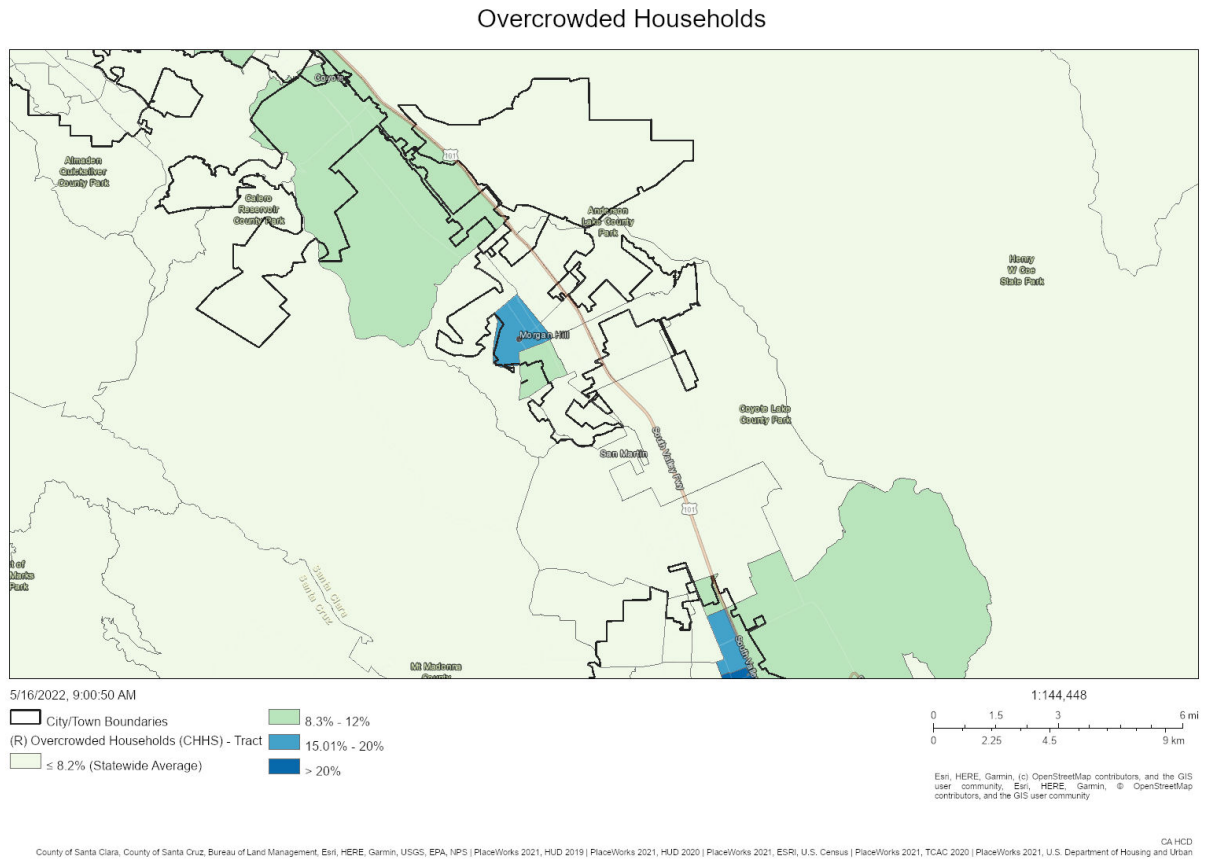


County of Santa Clara, County of Santa Cruz, Bureau of Land Management, Esri, HERE, Garmin, USGS, EPA, NPS | PlaceWorks 2021, HUD 2019 | PlaceWorks 2021, HUD 2020 | PlaceWorks 2021, ESRI, U.S. Census | PlaceWorks 2021, TCAC 2020 | PlaceWorks 2021, U.S. Department of Housing and Urban Development

DK

Map 4: Overpayment by Home Owners, Morgan Hill

Map 5: Overcrowded Households, Morgan Hill



In Morgan Hill, there are higher concentrations of households with housing problems in the downtown area of the city, including in areas that are more heavily Hispanic and Asian American than the city as a whole. Regionally, the highest concentrations of households with housing problems are found in Downtown and East San José, both areas with more heavily Hispanic populations than the region as a whole.

1.c. Compare the needs of families with children for housing units with two, and three or more bedrooms with the available existing housing stock in each category of publicly supported housing for the jurisdiction and region.

Table 4: Publicly Supported Housing by Program Category: Units by Number of Bedrooms and Number of Children, Morgan Hill

	Households in 0-1 Bedroom Units	Households in 2 Bedroom Units	Households in 3+ Bedroom Units	Households with Children
Housing Type	%	%	%	%
Public Housing	N/A	N/A	N/A	N/a
Project-Based Section 8	64%	0%	36%	18%
Other Multifamily	N/A	N/A	N/A	N/A
HCV Program	29%	37%	34%	42%

In Morgan Hill, there are more housing opportunities for families with children in the Housing Choice Voucher program than in the Project-Based Section 8 program. There are no public housing or Other Multifamily units in Morgan Hill. Public housing refers to subsidized housing that is operated by the local housing authority under Section 9 of the U.S. Housing Act of 1937. Other Multifamily units refer primarily to HUD-subsidized housing designated for the elderly (Section 202) and people with disabilities (Section 811) but also include some less common programs like the Section 221(d)(4) loan guarantee program.

1.d. Describe the differences in rates of renter and owner-occupied housing by race/ethnicity in the jurisdiction and Region.

Table 5: Housing Tenure by Race, Morgan Hill and the Region

	Morgan Hill				Region			
Housing Tenure	Owner Occupied		Renter Occupied		Owner Occupied		Renter Occupied	
	#	%	#	%	#	%	#	%
Total	10,979	73.9%	3,875	26.1%	372,659	56.6%	285,691	43.4%
White, Non-Hispanic	6,993	80.6%	1,681	19.4%	161,091	61.8%	99,462	38.2%
Black	142	46.3%	165	53.7%	5,329	31.2%	11,736	68.8%
Hispanic	1,895	53.3%	1,658	46.7%	48,341	37.6%	80,092	62.4%

Asian or Pacific Islander	1,644	83.9%	315	16.1%	142,664	60.2%	94,250	39.8%
----------------------------------	--------------	--------------	------------	--------------	----------------	--------------	---------------	--------------

Homeownership rates are generally higher in Morgan Hill than in the region as a whole. Black and Hispanic households are least likely to be homeowners than Asian American and White households. This also holds true in the region. In Morgan Hill, almost 84% of Asian American households and over 80% of White households are homeowners. By contrast over 53% of Black households and over 46% of Hispanic households rent rather than own their homes in Morgan Hill, and these percentages are even higher in the region.

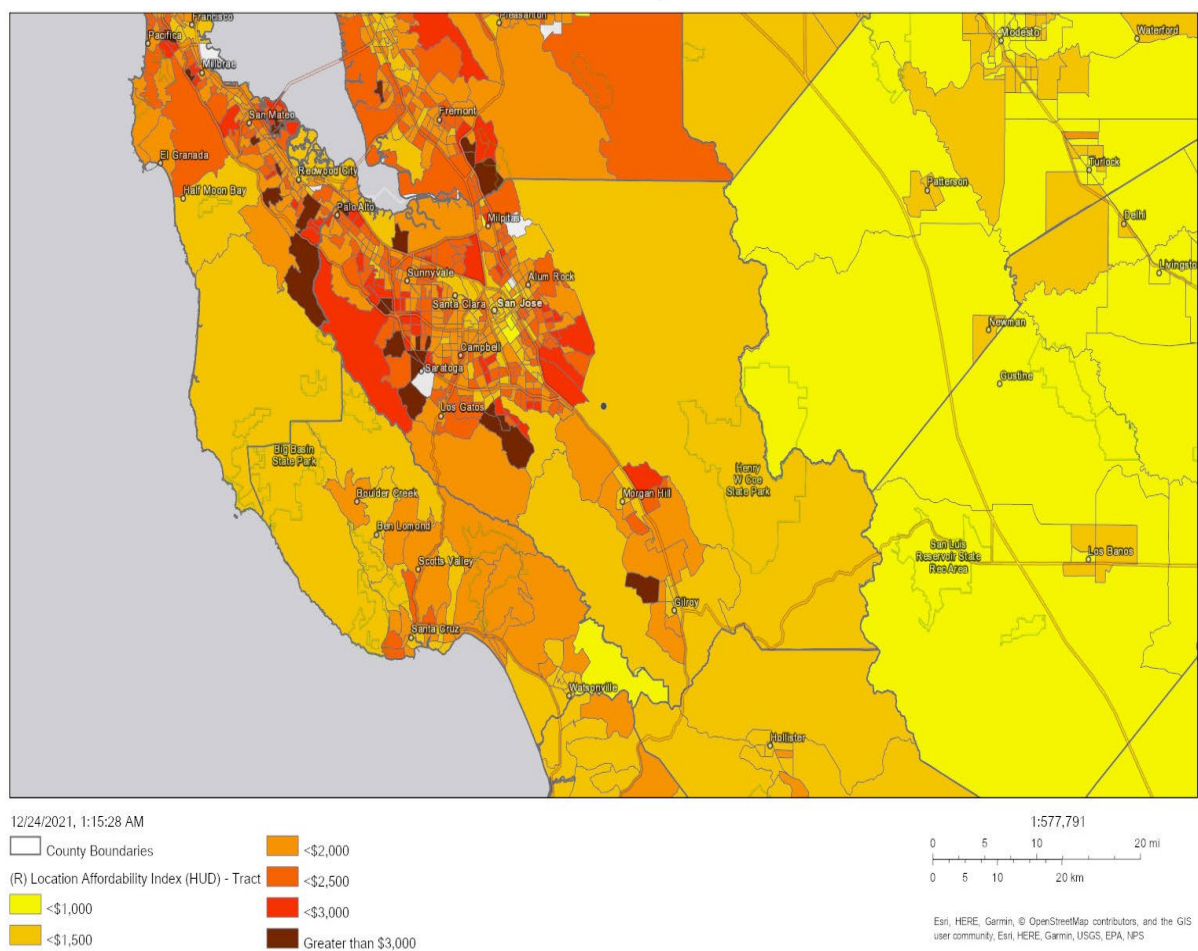
Additional Information

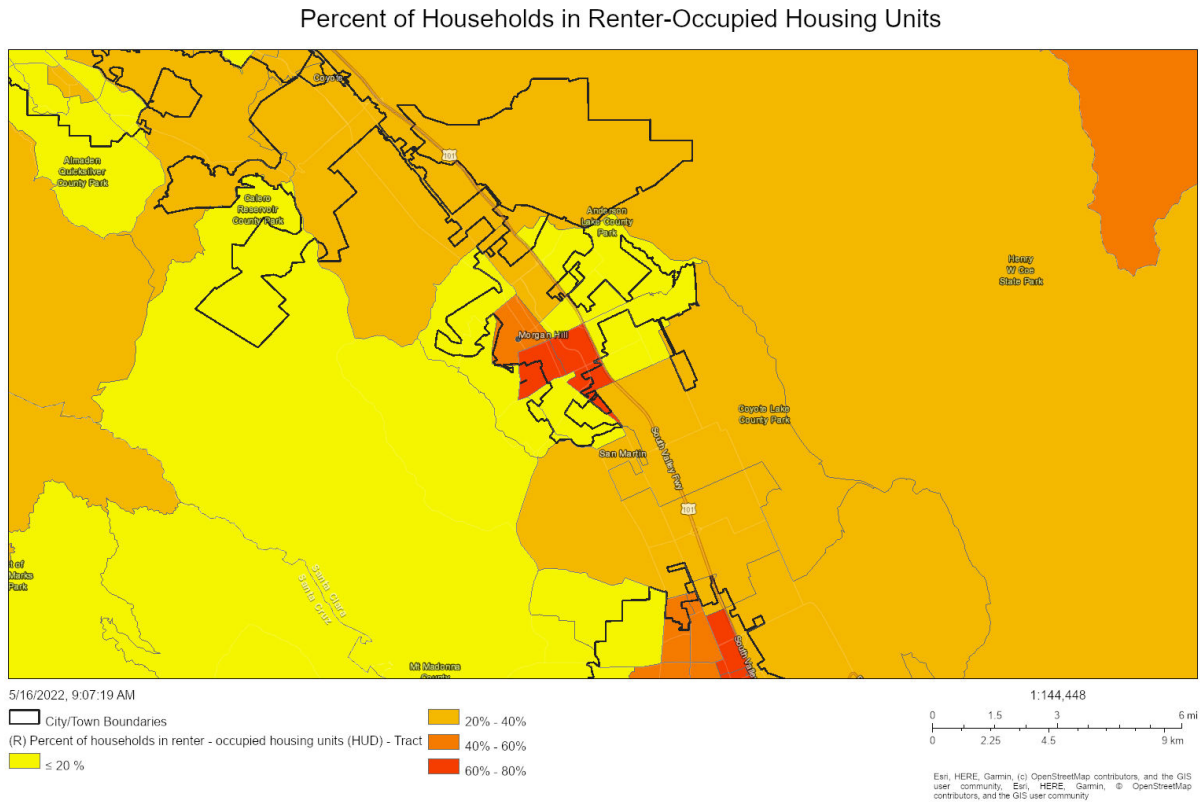
2.a. Beyond the HUD-provided data, provide additional relevant information, if any, about disproportionate housing needs in the jurisdiction and Region affecting groups with other protected characteristics.

Location Affordability Index

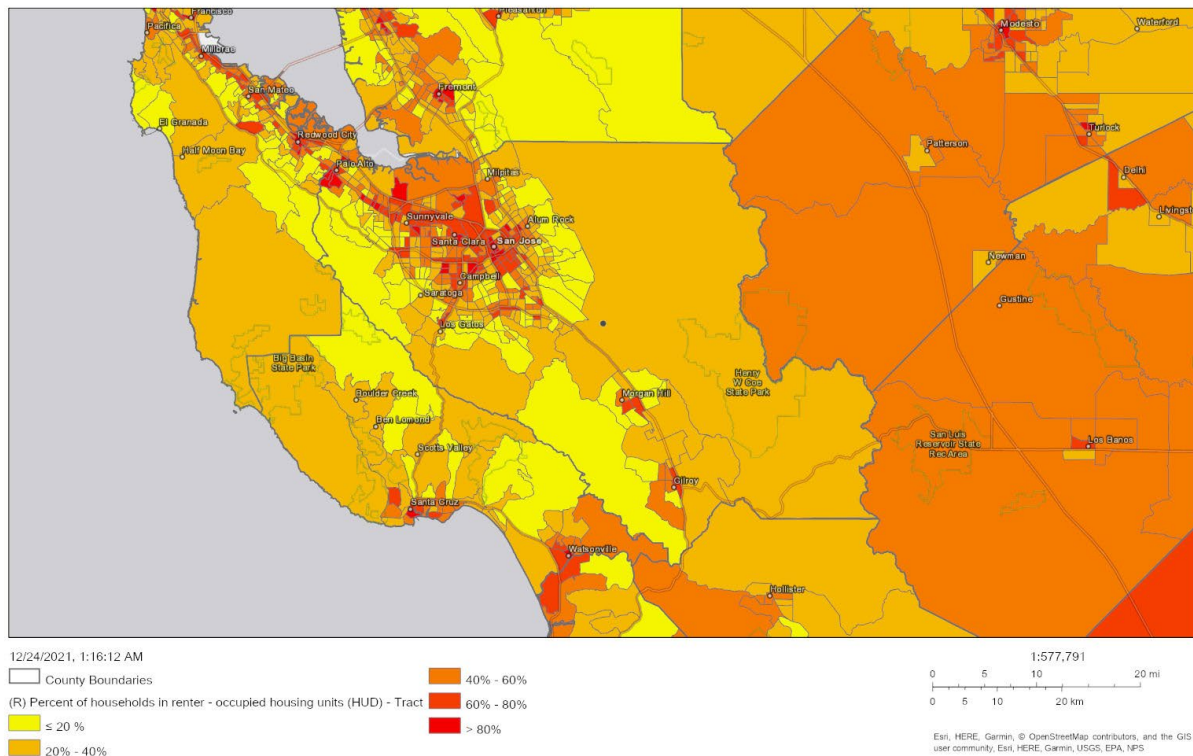


Map 7: Location Affordability, Region



Map 8: Percent Renter Occupied Households, Morgan Hill

County of Santa Clara, County of Santa Cruz, Bureau of Land Management, Esri, HERE, Garmin, USGS, EPA, NPS | PlaceWorks 2021, HUD 2019 | PlaceWorks 2021, HUD 2020 | PlaceWorks 2021, ESRI, U.S. Census | PlaceWorks 2021, TCAC 2020 | PlaceWorks 2021, U.S. Department of Housing and Urban Development

Map 9: Percent Renter Occupied Households, Region

The eastern portion of Morgan Hill has the least affordable housing according to the Location Affordability Index. This area also has a low rate of renter-occupied housing. By contrast, the city center has a relatively higher concentration of renters and more affordable housing. The southwest portion has a higher concentration of renters and less affordable housing.

Local data from the City of Morgan Hill reflecting code enforcement violations involving health and safety issues from 2019 through March 2022 showed that, out of 19 code enforcement violations, 18 were at properties in the central and western portions of Morgan Hill and only one was in eastern Morgan Hill. Although the overall number of violations was not high, violations were concentrated in the most heavily Hispanic parts of the city. Among the 18 violations in the central and western portions of Morgan Hill, a majority were in properties located in and near downtown Morgan Hill.

2.b. The program participant may also describe other information relevant to its assessment of disproportionate housing needs. For PHAs, such information may include a PHA's overriding housing needs analysis.

The Santa Clara County Housing Authority has shifted its hard unit portfolio from public housing to Project-Based Vouchers. A "hard unit" is defined as affordable rental housing resulting from new construction, substantial rehabilitation, acquisition, or existing housing stock. Hard units do not include unsubsidized units in which households use tenant-based rental assistance such as Housing Choice Vouchers. Layering more Project-Based Vouchers into multifamily housing developments in Morgan Hill, particularly those including family-sized units, could be an effective means of reducing disproportionate housing needs in the city.

Contributing Factors of Disproportionate Housing Needs

Please see the Appendix for the following Contributing Factors to Disproportionate Housing Needs:

- Availability of affordable units in a range of sizes
- Displacement of residents due to economic pressures
- Displacement of and/or lack of housing support for victims of domestic violence, dating violence, sexual assault, and stalking
- Lack of access to opportunity due to high housing costs
- Lack of private investments in specific neighborhoods
- Lack of public investments in specific neighborhoods, including services or amenities
- Land use and zoning laws
- Lending discrimination
- Loss of affordable housing
- Source of income discrimination

DRAFT

c. Publicly Supported Housing Analysis

1. Analysis

a. Publicly Supported Housing Demographics

Table 1: Publicly Supported Housing Units by Program Category, Morgan Hill

	Morgan Hill	
Housing Units	#	%
Total housing units	15,233	N/A
Public Housing	0	0%
Project-based Section 8	30	0.2%
Other Multifamily	0	0%
HCV Program	336	2.2%

- i. Are certain racial/ethnic groups more likely to be residing in one program category of publicly supported housing than other program categories (public housing, project-based Section 8, Other Multifamily Assisted developments, and Housing Choice Voucher (HCV) in the jurisdiction?

Table 2: Publicly Supported Housing Demographics

Jurisdiction	White	Black	Hispanic	Asian or Pacific Islander
Housing Type	%	%	%	%
Public Housing	-	-	-	-
Project-Based Section 8	18%	7%	64%	11%
Other Multifamily	-	-	-	-
HCV Program	24%	8%	62%	5%
Total Households	8,785	355	3,515	1,645
0-30% of AMI	51.2%	2.9%	31.6%	11.5%
0-50% of AMI	49.6%	1.6%	35.1%	10.9%
0-80% of AMI	52.5%	1.3%	33.9%	9.4%
Region	White	Black	Hispanic	Asian or Pacific Islander
Housing Type	%	%	%	%
Public Housing	-	-	-	-
Project-Based Section 8	26.08%	3.41%	15.07%	47.40%
Other Multifamily	26.59%	3.02%	22.05%	47.13%
HCV Program	17.44%	12.66%	32.01%	37.20%
Total Households	276,844	16,174	128,660	206,367
0-30% of AMI	33.36%	4.02%	30.80%	29.24%
0-50% of AMI	35.03%	3.62%	32.38%	26.55%
0-80% of AMI	35.60%	3.45%	32.09%	26.42%

In Morgan Hill, Hispanic households account for a majority of households occupying Project-Based Section 8 housing and utilizing Housing Choice Vouchers. White households represent the second highest percentage of households occupying Project-Based Section 8 housing and

utilizing Housing Choice Vouchers. There is no public housing or Other Multifamily housing in Morgan Hill. The vast majority of publicly supported housing units are Low Income Housing Tax Credit (LIHTC) units.

- ii. *Compare the racial/ethnic demographics of each program category of publicly supported housing for the jurisdiction to the demographics of the same program category in the region.*

Compared to the region, for the categories of publicly supported housing present in Morgan Hill, a higher proportion of residents in Morgan Hill are Hispanic and a lower proportion are Asian or Pacific Islander. This is true for both the Project-Based Section 8 and Housing Choice Voucher programs and is consistent with the demographics of the city in relation to the region.

- iii. *Compare the demographics, in terms of protected class, of residents of each program category of publicly supported housing (public housing, project-based Section 8, Other Multifamily Assisted developments, and HCV) to the population in general, and persons who meet the income eligibility requirements for the relevant program category of publicly supported housing in the jurisdiction and region. Include in the comparison, a description of whether there is a higher or lower proportion of groups based on protected class.*

In Morgan Hill, White households appear to be underrepresented in Project-Based Section 8 housing and as HCV holders in comparison to the income-eligible population. Black and Hispanic households are overrepresented in Project-Based Section 8 housing and as HCV holders in comparison to the income-eligible population. Asian or Pacific Islander households comprise similar proportions of households in Project-Based Section 8 housing and as HCV holders compared to their share of the income eligible population.

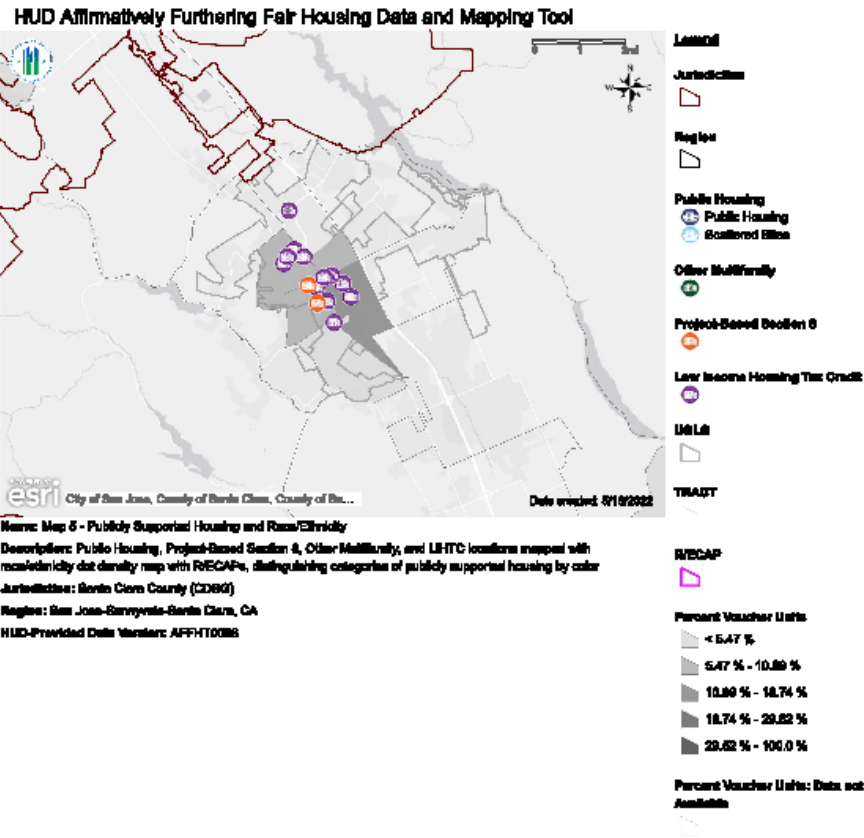
b. Publicly Supported Housing Location and Occupancy

- i. *Describe patterns in the geographic location of publicly supported housing by program category (public housing, project-based Section 8, Other Multifamily Assisted developments, HCV, and LIHTC) in relation to previously discussed segregated areas and R/ECAPs in the jurisdiction and region.*

Map 1: Publicly Supported Housing. Morgan Hill

8/18/22, 2:11 AM

HUD AFFH - PRINT MAP

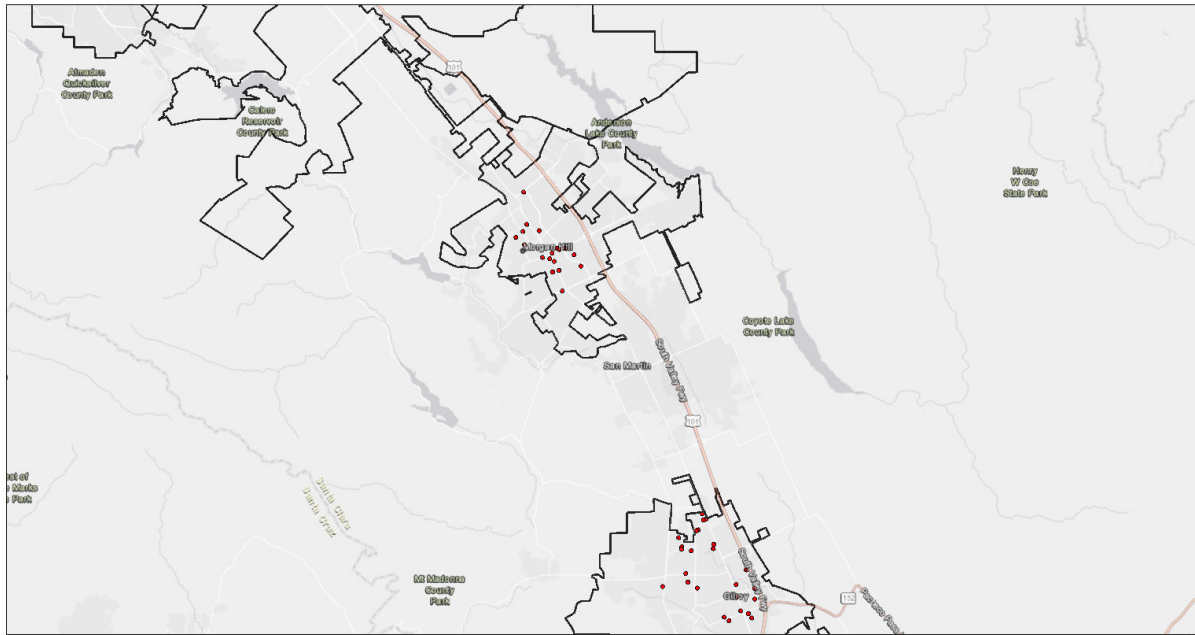


<https://gis.hud.gov/webapp/printmap/print.html?jurisdictionid=00000&mapNumber=500&gd/Vendor=AFFH0006&score=1/AltPh=4&mapBase=local&map=gray&dotValue=75&dotSize=4&...> 1/1

DR

Map 2: Subsidized Housing, Morgan Hill

Subsidized Housing



4/11/2022, 1:39:14 PM

City/Town Boundaries

• (A) Subsidized Housing (CHPC, 2021)

1:144,448

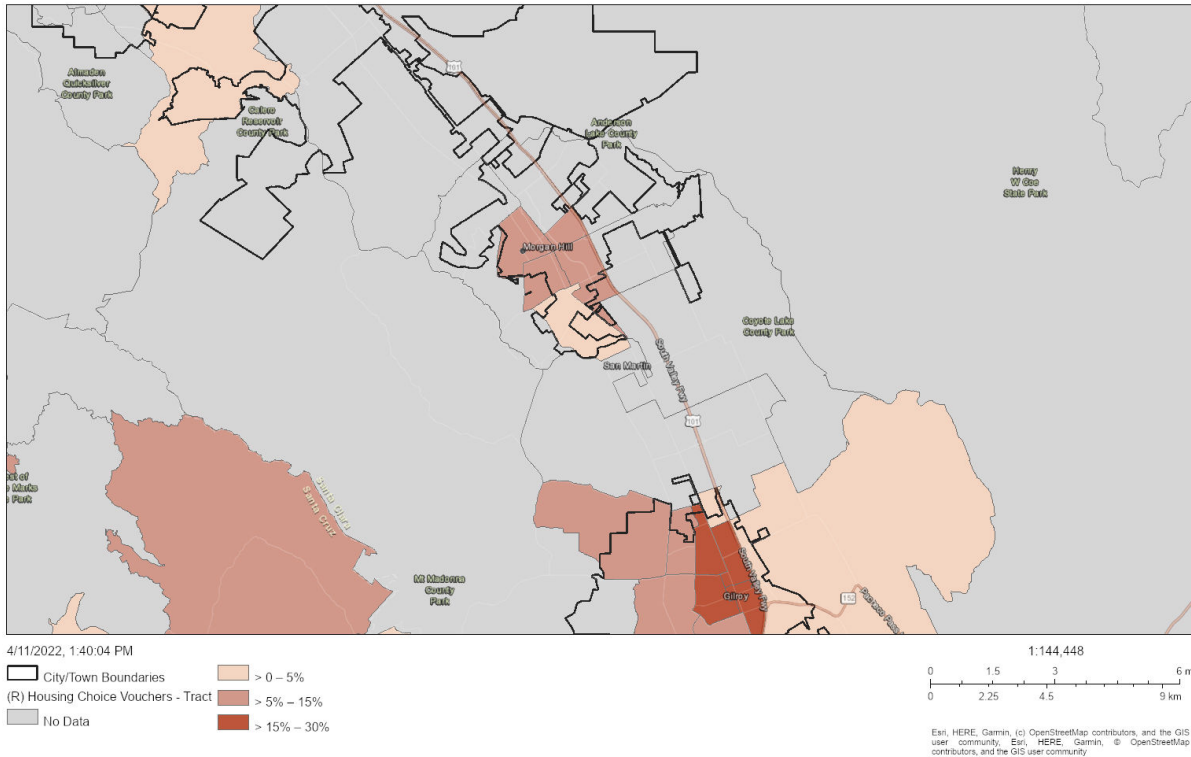
0 1.5 3 6 mi
0 2.25 4.5 9 km

Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community, Esri, HERE, Garmin, © OpenStreetMap contributors, and the GIS user community

CA/HCD
County of Santa Clara, County of Santa Cruz, Bureau of Land Management, Esri, HERE, Garmin, USGS, EPA, NPS | PlaceWorks 2021, HUD 2019 | PlaceWorks 2021, HUD 2020 | PlaceWorks 2021, ESRI, U.S. Census | PlaceWorks 2021, TCAC 2020 | PlaceWorks 2021, U.S. Department of Housing and Urban

Map 3: Housing Choice Voucher Concentration, Morgan Hill

Housing Choice Vouchers - Tract



In Morgan Hill, hard units of publicly supported are concentrated in the center of the city. There are zero hard units east of the South Valley Freeway (Highway 101). The same holds true of HCV holders. HCV holders are also concentrated in the center of the city and zero HCV holders east of the south valley freeway (Highway 101).

- i. Describe patterns in the geographic location for publicly supported housing that primarily serves families with children, elderly persons, or persons with disabilities in relation to previously discussed segregated areas or R/ECAPs in the jurisdiction and region.

There are no R/ECAPs in Morgan Hill.

- ii. How does the demographic composition of occupants of publicly supported housing in R/ECAPS compare to the demographic composition of occupants of publicly supported housing outside of R/ECAPs in the jurisdiction and region?

Table 3: Publicly Supported Housing Demographics by R/ECAP and Non R/ECAP Tracts

Jurisdiction	Total # units (occupied)	% White	% Black	% Hispanic	% Asian or Pacific Islander	% Families with children	% Elderly	% with a disability
--------------	---------------------------	---------	---------	------------	-----------------------------	--------------------------	-----------	---------------------

Public Housing								
R/ECAP tracts	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Non R/ECAP tracts	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Project-based Section 8								
R/ECAP tracts	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Non-R/ECAP tracts	29	18%	7%	64%	11%	18%	79%	7%
Other Multifamily								
R/ECAP tracts	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Non R/ECAP tracts	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
HCV Program								
R/ECAP tracts	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Non R/ECAP tracts	336	24%	8%	62%	5%	42%	36%	19%

- i. Do any developments of public housing, properties converted under the RAD, and LIHTC developments have a significantly different demographic composition, in terms of protected class, than other developments of the same category for the jurisdiction? Describe how these developments differ.

Table 4: Publicly Supported Housing Demographics

Project-Based Section 8						
Jurisdiction						
	# Units	White	Black	Hispanic	Asian	Households with Children
Park Place	10	* ⁴	*	*	*	*
Sycamore Glen	20	32%	0%	52%	16%	0%

In Morgan Hill, the Park Place housing development, which is a Project-Based Section 8 housing, is much more White than other Project-Based Section 8 housing in the city. Hispanic households make up the majority of Project-Based Section 8 households throughout the city. The Sycamore Glen housing development, which is also Project-Based Section 8 housing, has a higher percentage of White and Asian or Pacific Islander households when compared to other Project-Based Section 8 housing in the city. Conversely, Black and Hispanic households are underrepresented in Sycamore Glen when compared to Project-Based Section 8 housing

⁴ Data suppressed because of small number of units.

throughout the city. Data regarding the occupancy of Park Place is suppressed due to the small number of units, but it can be inferred that a higher percentage of residents are Black or Hispanic than at Sycamore Glen. This is the case because there are just two Project-Based Section 8 developments in the city, so Park Place, by necessity, must comprise the units that make of the remainder of the citywide aggregate figures for the program after Sycamore Glen is considered.

- i. *Provide additional relevant information, if any, about occupancy, by protected class, in other types of publicly supported housing for the jurisdiction and region.*

Demographic information about LIHTC housing in Morgan Hill is not available though it is likely that a greater proportion of such housing is available to families with children than is true for Project-Based Section 8 and Other Multifamily housing.

Additionally, in 2021, Morgan Hill updated its Inclusionary Housing Ordinance which requires that any new housing development of two or more units reserve at least 10% or 15% (depending on location) of units for occupancy by very low, low, and moderate-income households. The updated ordinance also clarifies whether ownership or rental units are required based on income levels. The City currently has a balance of \$5,712,128.73 in in-lieu fees and of \$4,315,833.75 redevelopment successor agency funds. Such financial resources are essential for efforts to create extremely low-income units, which typically cannot be produced through cross-subsidization in inclusionary developments alone.

- i. *Compare the demographics of occupants of developments in the jurisdiction, for each category of publicly supported housing (public housing, project-based Section 8, Other Multifamily Assisted developments, properties converted under RAD, and LIHTC) to the demographic composition of the areas in which they are located. For the jurisdiction, describe whether developments that are primarily occupied by one race/ethnicity are located in areas occupied largely by the same race/ethnicity. Describe any differences for housing that primarily serves families with children, elderly persons, or persons with disabilities.*

Table 5: Publicly Supported Housing Demographics and Surrounding Census Tract Demographics

Program Type	Project Name	Units in Project	Property White (%)	Property Black (%)	Property Hispanic (%)	Property Asian (%)	Households with children in the development	Census Tract Number	Tract White %	Tract Black (%)	Tract Hispanic (%)	Tract Asian (%)	Census Tract Poverty Rate
PBR A	Park Place	10	-	-	-	-	-	5123.13	29.7%	3.6%	52.7%	10.7%	9.0%
PBR A	Sycamore Glen	20	32%	0%	52%	16%	0%	5123.13	29.7%	3.6%	52.7%	10.7%	9.0%

It is likely that the Park Place housing development is located in a census tract that is less White than the housing development. The census tract has more Black, Hispanic and Asian or Pacific Islander households than the Park Place housing development likely has.

The Sycamore Glen housing development is located in a census tract that is less White and Asian or Pacific Islander than the housing development. Sycamore Glen also has a lower percentage of Black households than the census tract in which it is located. The percentages of Hispanic households are similar between the Sycamore Glen development and its census tract.

c. Disparities in Access to Opportunity

- i. Describe any disparities in access to opportunity for residents of publicly supported housing in the jurisdiction and region, including within different program categories (public housing, project-based Section 8, Other Multifamily Assisted Developments, HCV, and LIHTC) and between types (housing primarily serving families with children, elderly persons, and persons with disabilities) of publicly supported housing.*

Overall, publicly supported housing in Morgan Hill is concentrated in the center of the city. There is little to no publicly supported housing in the eastern portion of the city. The eastern portion of Morgan Hill has the greatest access to proficient schools. The center portion of the city has low access to proficient schools. Therefore, in Morgan Hill, households living in publicly supported housing are more likely to live in areas with lower access to proficient schools.

Contributing Factors of Publicly Supported Housing Location and Occupancy

Consider the listed factors and any other factors affecting the jurisdiction and region. Identify factors that significantly create, contribute to, perpetuate, or increase the severity of fair housing issues related to publicly supported housing, including Segregation, R/ECAPs, Disparities in Access to Opportunity, and Disproportionate Housing Needs. For each contributing factor that is significant, note which fair housing issue(s) the selected contributing factor relates to.

Please see the Appendix for the following Contributing Factors to Publicly Supported Housing Location and Occupancy:

- Admissions and occupancy policies and procedures, including preferences in publicly supported housing
- Community opposition
- Displacement of residents due to economic pressures
- Displacement of and/or lack of housing support for victims of domestic violence, dating violence, sexual assault, and stalking
- Impediments to mobility
- Lack of access to opportunity due to high housing costs
- Lack of meaningful language access for individuals with limited English proficiency
- Lack of local or regional cooperation
- Lack of private investment in specific neighborhoods
- Lack of public investment in specific neighborhoods, including services and amenities
- Land use and zoning laws
- Loss of affordable housing

- Occupancy codes and restrictions
- Quality of affordable housing information programs
- Siting selection policies, practices, and decisions for publicly supported housing, including discretionary aspects of Qualified Allocation Plans and other programs
- Source of income discrimination

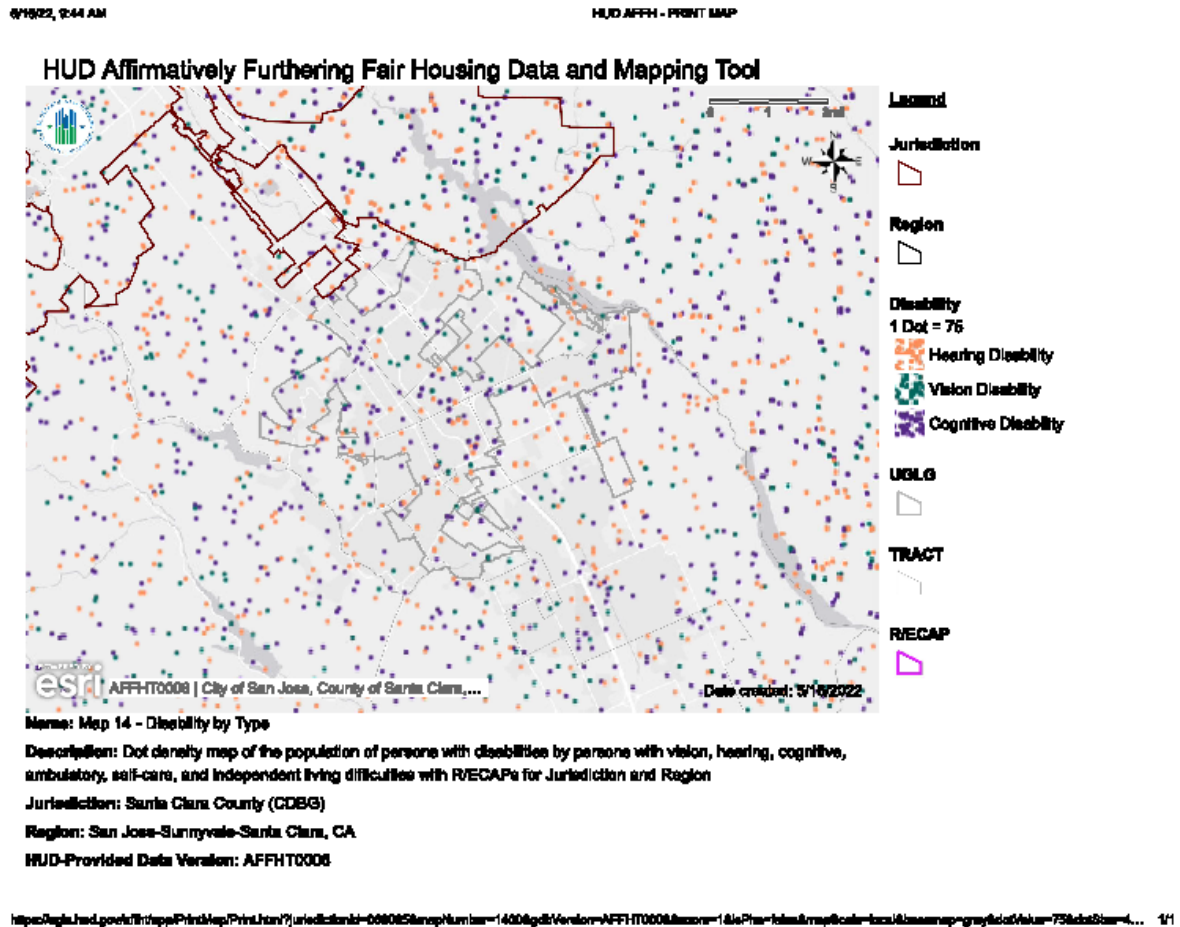
DRAFT

d. Disability and Access Analysis

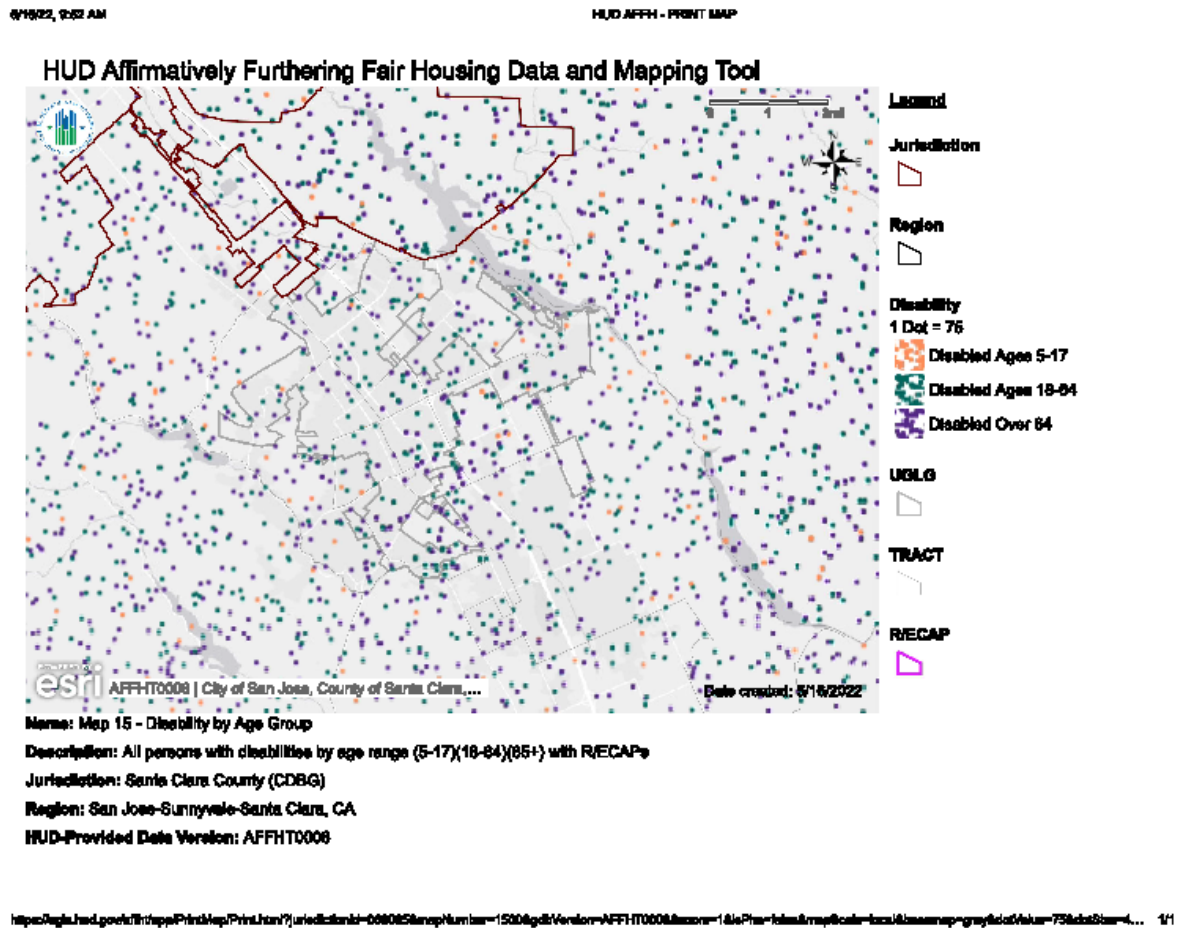
In 1988, Congress extended the Fair Housing Act's protections against housing discrimination to people with disabilities. In addition to protection against intentional discrimination and unjustified policies that have disproportionate effects, the Fair Housing Act includes three provisions that are unique to persons with disabilities. First, the Fair Housing Act prohibits the denial of requests for reasonable accommodations for persons with disabilities if said accommodations are necessary to afford an individual equal opportunity to use and enjoy a dwelling. Reasonable accommodations are departures from facially neutral policies and are generally available, so long as granting the accommodation request would not place an undue burden on the party providing the accommodation or result in a direct threat to the health or safety of others. Permitting an individual with an anxiety disorder to have a dog in their rental unit as an emotional support animal despite a broad "no pets" policy is an example of a reasonable accommodation. Second, the Act also prohibits the denial of reasonable modification requests. Modifications involve physical alterations to a unit, such as the construction of a ramp or the widening of a door frame, and must be paid for by the person requesting the accommodation unless the unit receives federal financial assistance and is subject to Section 504 of the Rehabilitation Act. Lastly, the design and construction provision of the Fair Housing Act requires most multi-family housing constructed since 1991 to have certain accessibility features. This section of the Assessment looks at the housing barriers faced by persons with disabilities, including those that result in the segregation of persons with disabilities in institutions and other congregate settings.

1. Population Profile

Map 1: Disability by Type (Hearing, Vision, Cognitive), Morgan Hill



Map 3: Disability by Age, Morgan Hill



Population with a Disability



Table 1: Disability by Type, Morgan Hill

Disability Type	#	%
Hearing Difficulty	1,282	2.9%
Vision Difficulty	725	1.6%
Cognitive Difficulty	1,509	3.6%
Ambulatory Difficulty	1,881	4.5%
Self-Care Difficulty	885	2.1%
Independent Living Difficulty	1,381	4.2%

1.a. How are people with disabilities geographically dispersed or concentrated in the jurisdiction and region, including R/ECAPs and other segregated areas identified in previous sections?

ACS Disability Information

Morgan Hill has a moderate proportion of residents with disabilities. According to the 2019 American Community Survey (ACS) 5-Year Estimate, roughly 4,033 residents of Morgan Hill have disabilities—9.1% of the total population.⁵ Of the non-institutionalized residents, 1,881 have ambulatory difficulties⁶; 1,282 have hearing difficulties; 1,381 have independent living difficulties; 1,509 have cognitive difficulties; 885 have self-care difficulties, and 725 have vision difficulties.⁷

Of the total population of people with disabilities, 106 individuals or approximately 2.6 percent of people with disabilities in Morgan Hill between the age of 20 to 64 have incomes below the poverty line, by contrast, 852 individuals below the poverty line do not have a disability.⁸ Median earnings for people without disabilities in Morgan Hill is \$58,721, while it is only \$34,700 for people with disabilities.⁹ This disparity in income between individuals with or without a disability means that individuals without a disability have median earnings that are \$20,000 dollars more than those with a disability. The economic gap for people with disabilities is likely even greater in reality, as the data does not include institutionalized individuals. There is not census data categorized by disability type for individuals living below the poverty line in Morgan Hill, so it is difficult to ascertain how many residents are in need of accessible and affordable units. Furthermore, the data does

⁵<https://data.census.gov/cedsci/table?q=morgan%20hill&t=Disability&tid=ACSST5Y2019.S1810>

⁶ The definition of ambulatory disabilities is “having serious difficulty walking or climbing stairs.” People with ambulatory disabilities may not need a fully accessible unit, particularly if they do not use wheelchairs. They may require a unit on the ground floor or in an elevator building, perhaps with some architectural modifications. Therefore, ambulatory disabilities is not a perfect indicator of the number of accessible mobility units needed since some people with ambulatory disabilities do not necessarily move to a wheelchair.

⁷ <https://data.census.gov/cedsci/table?q=morgan%20hill&t=Disability&tid=ACSST5Y2019.S1810>

⁸ <https://data.census.gov/cedsci/table?q=Morgan%20Hill,%20California%20Income%20and%20Poverty&t=Disability&tid=ACSST5Y2020.B23024>

⁹ <https://data.census.gov/cedsci/table?q=Morgan%20Hill,%20California%20Income%20and%20Poverty&t=Disability>

not indicate how much overlap there is between these categories, nor does the data say how many of those individuals need accessible units.¹⁰

Geographic Concentration and Patterns

People with disabilities in Morgan Hill are relatively evenly dispersed throughout the city but more individuals with hearing or cognitive difficulties tend to be concentrated in two census tracts: 5123.14 and 5123.09, while individuals with ambulatory and independent living difficulties are more concentrated in the central and western portions of the city with some residents dispersed throughout the eastside, however, very few residents with these types of disabilities live near the central corridor. No R/ECAPs are displayed on the map of Morgan Hill.

1.b. Describe whether these geographic patterns vary for people with each type of disability or for people with disabilities in different age ranges for the jurisdiction and region.

Individuals with ambulatory disabilities are most numerous but are dispersed relatively evenly throughout the city. All categories of disabilities become more prevalent as individuals age, with the number of people in the region 65 and over (4,001) with a disability outnumbering the amount of people under 65 (2,265) with a disability. People above 65 with disabilities are also relatively evenly distributed throughout the city. In terms of age, individuals between the age of 18 to 64 are mostly concentrated in the northern side of the City, individuals over 64 tend to be clustered in the central and western portions of the city and the few individuals below the age of 18 appear to be scattered throughout in no discernible pattern.

2. Housing Accessibility

2.a. Describe whether the jurisdiction and region have sufficient affordable, accessible housing in a range of unit sizes.

Accessibility Requirement for Federally-Funded Housing

HUD's implementation of Section 504 of the Rehabilitation Act of 1973 (24 CFR Part 8) requires that publicly supported federal housing developments make 1) five percent (5%) of total units accessible to individuals with mobility impairments and 2) an additional two percent (2%) of total units accessible to individuals with sensory disabilities.¹¹ It requires that each property, including site and common areas, meet the Federal Uniform Accessibility Standards (UFAS) or HUD's Alternative Accessibility Standard. Public Housing and Project-Based Section 8 units are both considered to be Publicly Supported Housing subject to its mandate.

In Morgan Hill, there are 0 public housing units and 30 Project-Based Section 8 units, all of which are subject to Section 504 of the Rehabilitation Act. As of 2020, 7% of residents living in Project-Based Section 8 units in Morgan Hill are persons with disabilities, but it is unknown how many of the Project-Based Section 8 units are accessible or what portion of the 7% require accessible units. It is also possible that more than 7% of Project-Based Section 8 residents have disabilities but that there is an undercount because publicly supported housing developments often classify residents as elderly or as having a disability but not as both. This occurs even though elderly individuals are more likely to have disabilities than the broader population. Assuming that each of

¹¹ 24 CFR § 8.22 (b).

Morgan Hill's two Project-Based Section 8 developments has the number of accessible units required by Section 504, there would be two units accessible to individuals with mobility disabilities and two units accessible to individuals with sensory disabilities in the city – one of each type of accessible unit in each development.

Low Income Housing Tax Credit (LIHTC) Units

According to data from HUD's LIHTC database, there are 1,009 low-income units in LIHTC-financed developments in Morgan Hill.

The question of whether Section 504 or Title II of the Americans with Disabilities Act applies to LIHTC developments has not been resolved by the courts.¹² However, in 2015, the California Tax Credit Allocation Committee (CTCAC) issued guidance stating that the California Building Code (CBC) for public housing (Chapter 11B) accessibility requirements also apply to LIHTC developments. Chapter 11B is the California equivalent of the 2010 ADA Standards. Section 1.9.1.2.1. of the CBC states that the accessibility requirements apply to "any building, structure, facility, complex . . . used by the general public." Facilities made available to the public, include privately owned buildings. CTCAC has even increased the ADA's required number of units: 10% of total units in a LIHTC development must be accessible to people with mobility disabilities and 4% must be accessible to people with sensory (hearing/vision) disabilities. All but one of Morgan Hill's LIHTC developments predate these requirements, so it is difficult to say if any units are fully accessible for building constructed prior to 2015 (though all of the city's LIHTC developments were subject to the Fair Housing Act's less extensive design and construction standards at the time of construction). The only site post-dating this law is the Morgan Hill Family-Scattered Site newly constructed in 2018 which offer four bedrooms accessible to individuals with mobility impairments and one unit for individuals with sensory impairments.

Also, effective 2015, CTCAC requires that 50% of total units in a new construction project and 25% of all units in a rehabilitation project located on an accessible path be mobility accessible units in accordance with CBC Chapter 11B. CTAC also provides incentives for developers to include additional accessible units through its Qualified Allocation Plan. Morgan Hill does not have readily available information on new construction or rehabilitation projects on accessible paths, so there is some uncertainty in calculating a definitive number of units.

Housing Choice Vouchers

Housing Choice Vouchers make otherwise unaffordable housing in the private market, which may or may not be accessible, available to low-income people, including those with disabilities. There are 336 Housing Choice Vouchers in use in Morgan Hill. Of this total, 19% of individuals in households with vouchers are people with disabilities. However, this does not represent a proxy for actual accessible units, as it is not certain that the 19% of tenants with disabilities actually live in accessible units within the publicly supported housing. Unless another source of federal financial assistance is present, units assisted with Housing Choice Vouchers are not subject to Section 504. Of course, participating landlords remain subject to the Fair Housing Act's duty to provide reasonable accommodations and to allow tenants to make reasonable modifications at their own expense. Even assuming that all 19% of people with disabilities using vouchers have

¹² Title II of the ADA prohibits discrimination on the basis of disability in all service, programs, and activities provided to the public by non-federal governmental entities except transportation services. The 2010 ADA Standards (ADAS) differ from Section 504 in some respects but essentially, they contain the same types of requirements including the requirement for 5% mobility units and 2% hearing/vision units.

accessible units, which is almost certainly an overestimation, the absolute number of accessible units is 64.

Fair Housing Amendments Act Units

The Fair Housing Amendments Act of 1988 (FHAA) covers all multifamily buildings of four or more units that were first occupied on or after March 13, 1991 – not just affordable housing developments. The FHAA added protections for people with disabilities and prescribed certain basic accessibility standards, such as having at least one building entrance that is accessible; an accessible route throughout the development; and public rooms and common rooms that are accessible. 42 U.S.C. § 3604(f)(3)(c). Although these accessibility requirements are not as extensive as those of Section 504, they were an important first step in making many apartment developments accessible to people with disabilities. Given its broad application to housing, regardless of federal funding, the FHAA has benefited many middle-income and upper-income people with disabilities who also need accessible housing. Notwithstanding the fact that units subject to the FHAA are not fully accessible, these units are an important source of housing for people with disabilities.

In Morgan Hill, there are 580 units in structures with five or more units that have been built from 2000 to the present and a further 596 built from 1980 through 1999. Because the FHAA does not mandate a certain number of accessible units like Section 504 or ADA Title II, it cannot be utilized as a proxy for the number of accessible housing units available. Additionally, it is not possible to determine the number of units in structures with exactly four units built from 1991 to the present as the American Community Survey reports individual units in four-unit structures in a combined category with duplexes and triplexes.

Accessible Units for Families with Children.

Unfortunately, data breaking down the number of private affordable, accessible units by number of bedrooms is not available. For Publicly Supported Housing, most (64%) of Project-Based Section 8 units are studios or one-bedroom units while 36% have three or more units. This suggests that one of the two developments in the city is oriented towards seniors while the other is family-occupancy. For Housing Choice Vouchers, there is a more even distribution of unit sizes for families, as 29% of HCVs holders live in studio or one-bedroom units, while 37% live in two-bedroom units, and 34% live in units with three or more bedrooms.

Table 2, Publicly Supported Housing by Units and Households with Children

	Households in 0-1 Bedroom Units	Households in 2 Bedroom Units	Households in 3+ Bedroom Units	Households with Children
Housing Type	%	%	%	%
Public Housing	N/A	N/A	N/A	N/a
Project-Based Section 8	64%	0%	36%	18%
Other Multifamily	N/A	N/A	N/A	N/A

HCV Program	29%	37%	34%	42%
--------------------	------------	------------	------------	------------

Summary

The supply of affordable, accessible units in Morgan Hill is insufficient to meet the need. In the city, some 1,282 residents have a hearing difficulty, 725 residents have a vision difficulty, and 1,881 residents have an ambulatory difficulty, potentially requiring the use of accessible units. Assuming full compliance with federal law and regulations, the only accessible units that can be confirmed with certainty are the four Section 8 units subject to Section 504's requirements and the 5 LIHTC units mandated by its California regulatory equivalent.

2.b. Describe the areas where affordable, accessible housing units are located in the jurisdiction and region. Do they align with R/ECAPS or other areas that are segregated?

Affordable, accessible housing is mostly concentrated in neighborhoods adjacent to Monterey Road. This area has the highest percentage of voucher holders and LIHTC developments. Morgan Hill does not have any R/ECAPS, however, there is a large concentration of Hispanic residents living in the same area where voucher holders are present in higher numbers.

2.c. To what extent are people with different disabilities able to access and live in the different categories of publicly supported housing in the jurisdiction and region?

Table 3: Disability by Publicly Supported Housing Program Category

Morgan Hill	People with a Disability
	%
Public Housing	N/A
Project-Based Section 8	7%
Other Multifamily	N/A
HCV Program	19%

The American Community Survey does not facilitate the disaggregation of the population of people with disabilities by income, so it is impossible to determine what percentage of households that are income-eligible for Publicly Supported Housing include one or more people with disabilities. As the table above reflects, the portion of people with disabilities appears to be over-represented in HCVs and underrepresented at project-based-voucher properties.

3. Integration of People with Disabilities Living in Institutions and Other Segregated Settings

3.a. To what extent do people with disabilities in or from the jurisdiction or region reside in segregated or integrated settings?

Up until a wave of policy reforms and court decisions in the 1960s and 1970s, states, including California, primarily housed people with intellectual and developmental disabilities and individuals with psychiatric disabilities in large state-run institutions. In California, institutions for people with intellectual and developmental disabilities are called developmental centers, and institutions for people with psychiatric disabilities are called state hospitals. Within these institutions, people with disabilities have had few opportunities for meaningful interaction with individuals without disabilities, limited access to education and employment, and a lack of individual autonomy.

The transition away from housing people with disabilities in institutional settings and toward providing housing and services in home and community-based settings accelerated with the passage of the Americans with Disabilities Act in 1991 and the U.S. Supreme Court's landmark decision in *Olmstead v. L.C.* in 1999. In *Olmstead*, the Supreme Court held that, under the regulations of the U.S. Department of Justice (DOJ) implementing Title II of the Americans with Disabilities Act (ADA), if a state or local government provides supportive services to people with disabilities, it must do so in the most integrated setting appropriate to the needs of a person with a disability and consistent with their informed choice. This obligation is not absolute and is subject to the ADA defense that providing services in a more integrated setting would constitute a fundamental alteration of the state or local government's programs.

The transition from widespread institutionalization to community integration has not always been linear, and concepts of what comprises a home and community-based setting have evolved over time. Although it is clear that developmental centers and state hospitals are segregated settings and that an individual's own house or apartment in a development where the vast majority of residents are individuals without disabilities is an integrated setting, significant ambiguities remain. Nursing homes and intermediate care facilities are clearly segregated though not to the same degree as state institutions. Group homes fall somewhere between truly integrated supported housing and such segregated settings, and the degree of integration present in group homes often corresponds to their size.

Below, this assessment includes detailed information about the degree to which people with intellectual and developmental disabilities and individuals with psychiatric disabilities reside in integrated or segregated settings. The selection of these two areas of focus does not mean that people with other types of disabilities are never subject to segregation. Although the State of California did not operate analogous institutions on the same scale for people with ambulatory or sensory disabilities, for example, many people with disabilities of varying types face segregation in nursing homes. Data concerning people with various disabilities residing in nursing homes is not as available as data relating specifically to people with intellectual and developmental disabilities and people with psychiatric disabilities.

Table 4: Intellectual and Developmental Disabilities, Performance of Tri-Counties Regional Center, December 2018

Dec. 2018 Performance Reports	Fewer consumers live in developmental centers	More children live with families	More adults live in home settings	Fewer children live in large facilities (more	Fewer adults live in large facilities (more

				than 6 people)	than 6 people)
State Average	0.21%	99.32%	79.61%	0.04%	2.47%
San Andreas Regional Center	0.04%	98.95%	78.32%	0.04%	1.58%

In California, a system of regional centers is responsible for coordinating the delivery of supportive services primarily to individuals with intellectual and developmental disabilities. The regional centers serve individuals with intellectual disabilities, individuals with autism spectrum disorder, individuals with epilepsy, and cerebral palsy. These disabilities may be co-occurring. Although there is some variation from regional center to regional center, individuals with intellectual disabilities and individuals with autism spectrum disorder predominate among consumers. All data regarding the regional centers is drawn from their annual performance reports.

In the region, there is one regional center – the San Andreas Regional Center – that serves all of Santa Clara County and San Benito County, as well as Monterey and Santa Cruz Counties just to the south and southwest of the region. Unfortunately, the San Andreas Regional Center does not disaggregate its publicly reported data by county or city to allow a Santa Clara County-specific or city-specific analysis. Nonetheless, since Santa Clara County is significantly larger than the other three counties combined, most of what is reflected in data from the San Andreas Regional Center reflects conditions in Santa Clara County, though Morgan Hill is not representative of Santa Clara county as a whole.

On an annual basis, these regional centers report to the California Department of Developmental Services on their performance in relation to benchmarks for achieving community integration of persons with intellectual and developmental disabilities. As reflected in the table above, the San Andreas Regional Center simultaneously has lower rates of persons with developmental disabilities living in institutional settings but also lower rates of persons with developmental disabilities living in home or family-based settings than statewide. In some cases, disparities between the San Andreas Regional Center and the state are very small and may not support an inference that structural factors are playing a particularly acute role in perpetuating the segregation of persons with intellectual and developmental disabilities in the region.

California is in the process of closing all development centers to transition these residents into the community. At the end of 2018, the California Department of Developmental Services closed the Sonoma Developmental Center, which was the last remaining large, state-run institution for persons with developmental disabilities in the Bay Area. Porterville Developmental Center, located in the Central Valley, is the closest remaining institution to Morgan Hill. The facility was scheduled to close by the end of 2021 but remains open with no new closure date announced. As of November 2019, there were between 1 and 10 individuals from the area served by the San Andreas Regional Center residing in developmental centers like the Porterville Developmental Center.

The San Andreas Regional Center reports the number of individuals served by type of setting by race or ethnicity. The categories included are Home, Residential, ILS/SLS, Institutions, Med/Rehab/Psych, and Other. The category of Home includes the home of a parent or guardian,

a foster home for children, and a family home for adults. The category of Residential includes community care facilities and intermediate care facilities (ICFs) and continuous nursing. The category of ILS/SLS solely includes independent living and supported living. Institutions include developmental centers, state hospitals, and correctional institutions. The category of Med/Rehab/Psych includes skilled nursing facilities, psychiatric treatment facilities, rehabilitation centers, sub-acute care, and community treatment facilities. The Other category includes individuals who are homeless as well as individuals who do not fall into any category (and one individual living outside of California). In general, Home and ILS/SLS settings are the most integrated, and Institutions and Med/Rehab/Psych are the most segregated. Residential settings fall somewhere in between with community care facilities being more integrated than ICFs within the category. Clearly, homelessness is not consistent with meaningful community integration. The table below reflects the percentage of individuals with intellectual or developmental disabilities served in each type of setting.

Table 5 – Type of Setting by Race or Ethnicity, San Andreas Regional Center, 2018-2019

Type of Setting	Total Served	% Non-Hispanic White	% Black	% Asian or Pacific Islander	% Hispanic	% Other or Multi-Racial
Home	17,265	20.7%	1.6%	21.1%	42.7%	13.1%
Residential	1,859	59.0%	3.8%	11.3%	19.3%	6.2%
ILS/SLS	1,229	62.2%	4.8%	6.5%	20.6%	5.6%
Institutions	20	25.0%	5.0%	20.0%	35.0%	15.0%
Med/Rehab/Psych	81	40.7%	3.7%	18.5%	28.4%	7.4%
Other	65	40.0%	9.2%	4.6%	33.8%	12.3%

In the service area of the San Andreas Regional Center, Asian or Pacific Islander residents appear to be underrepresented in the population receiving services for intellectual and developmental disabilities. With respect to individual types of settings, Hispanic residents are most likely to reside in home-based settings while White residents have the greatest access to independent living and supported living environments. Black residents are overrepresented in Institutions and Other, which includes homelessness. This data suggests that, for Black individuals with intellectual and developmental disabilities, the effects of mass incarceration on their prospects for integration may be compounded by both race and disability status. The high representation of Hispanic residents in home-based settings and their low concentration in independent living and supported living settings may suggest a need for planning around helping adults with developmental disabilities who are living with their parents gain access to and transition to independent living when their parents are no longer able to serve as care providers.

Overall, this data shows that, within the County and the region, persons with intellectual and developmental disabilities are typically at least slightly less likely to be segregated in institutional settings than statewide. The data shows that a minority of adults with intellectual and developmental disabilities, in particular, reside in comparatively segregated, congregate settings. It is highly likely that not all persons with intellectual and developmental disabilities who would like to live in integrated settings in the County, the cities of Cupertino, Gilroy, Mountain View, Palo

Alto, San Jose, Santa Clara, and Sunnyvale, and the region have the opportunity to do so. The trend in Morgan Hill closely follows the pattern for the region as a whole with more individuals with developmental disabilities living in home settings versus institutionalized ones. Based on its latest Housing Element, Morgan Hill has ~~235-158 adult~~ residents who live at home with a guardian, ~~30 43 adult~~ residents living in ~~group homes~~ licensed facilities, ~~46 and 21 adult~~ residents living in ~~independent~~ apartment with supportive services or supportive housing, and ~~4 residents in~~ "other" housing.¹³

Psychiatric Disabilities

Napa State Hospital is the primary large institution for individuals with psychiatric disabilities serving the part of California including Morgan Hill. As of November 2016, the facility had 1,267 patients, slightly over its official capacity of 1,255 beds. The hospital's website breaks down the patient population among four categories of admittees. 47% were committed by virtue of being found not guilty of a crime by reason of insanity. 30% were committed because they had been found incompetent to stand trial. 17% were civilly committed. Lastly, 6% were classified as mentally disordered offenders. Thus, a significant majority of individuals with psychiatric disabilities institutionalized within Northern California reside in institutions because of contact with the criminal justice.

The Department of State Hospitals does not disaggregate publicly available data about patients by county of origin nor does it disaggregate detailed demographic data about patients by hospital. Nonetheless, some system-wide information is useful. Across California, those institutionalized in state hospitals are disproportionately male (87%), Black (25%), and have low levels of educational attainment (79% lack a high school diploma). This data is consistent with the fact that the criminal justice system is the primary gateway into the state hospital system. 4.3% of all residents of state hospitals and participants in jail-based mental health treatment statewide are from Santa Clara County. The most common diagnosis for patients (40%) is schizophrenia followed by schizoaffective disorder (24%). Interventions, like those offered through the Santa Clara County Behavioral Health Services' Criminal Justice Services program, that target non-punitive services to children and transition-age youth in overpoliced, disproportionately Hispanic and Black communities in the County could advance efforts to reduce the institutionalization of persons with psychiatric disabilities in state hospitals, jails, and prisons.

Santa Clara County Behavioral Health Services is responsible for coordinating the provision of supportive services for persons with psychiatric disabilities in Santa Clara County, including Morgan Hill. The only facility in Morgan Hill that provides residential psychiatric services is Community Solutions La Casa Del Puente Treatment Center, there are also facilities nearby in San Jose and Santa Cruz. Gradually phasing out the use of these inpatient settings and reducing their scale while increasing the availability of supportive housing, with intensive services and supports if needed and chosen by the patient, would increase the integration of persons with psychiatric disabilities in Santa Clara County.

3.b. Describe the range of options for people with disabilities to access affordable housing and supportive services in the jurisdiction and region.

Morgan Hill does not have specific programs to assist people with disabilities in accessing housing. Through its partnership with Housekeys, the City administers the below market rate

¹³ https://www.morgan-hill.ca.gov/DocumentCenter/View/40365/DRAFT-H1_MH-HE_Housing_Needs_Assessment?bidId=

rental program to assist low-income individuals in becoming homeowners, which would theoretically help people with disabilities, given their on-average lower earnings. The City also partners with a number of organizations that help seniors obtain housing, who are more likely to have disabilities. The City also provides a database on its website that links to various low-income housing resources including a list of existing and planned affordable housing and supportive services throughout the City and region.¹⁴

In Santa Clara County, the primary source of affordable housing available to persons with disabilities consists of permanent supportive housing built with the assistance of Measure A bond funds. The County's Office of Supportive Housing has prioritized the use of Measure A funds for permanent supportive housing, specifically seeking developments in which at least 50% of units are permanent supportive housing through its notice of funding availability. Although early funded developments focused most heavily on meeting the housing needs of chronically homeless individuals with disabilities who frequently have psychiatric disabilities, the County's most recent notice of funding availability includes a set-aside of funds for development of permanent supportive housing for persons with developmental disabilities. One concern is that 50% is a higher concentration of persons with disabilities than is typically considered truly integrated when developing permanent supportive housing. Reducing that target to 25% would foster community integration while still yielding a large number of units. Still, the Measure A Bond have been somewhat successful in expanding affordable accessible housing with at least 1,690 units approved for construction to meet the needs of the chronically homeless and persons with disabilities and their families.¹⁵

Additionally, the Santa Clara County Housing Authority has multiple waiting list preferences that have the effect of increasing access to affordable housing for persons with disabilities. These include its Chronically Homeless Direct Referral Program, Special Needs Population Direct Referral Program, Veterans Affairs Supportive Housing Program, and Mainstream Voucher Program. These programs likely contribute to the higher levels of access that persons with disabilities have to the Housing Choice Voucher program in Santa Clara County and its cities than they do to other publicly supported housing programs.

Morgan Hill has been able to construct one building with supportive housing units and is planning to develop a second project through funding provided by Measure A bonds.¹⁶ Opened since January 2020, the Crossings on Monterrey is an affordable housing development offering 39 affordable units, 20 of which are reserved for supportive housing needs. The other development, Royal Oak Village, will provide 71 units with 18 reserved for supportive housing at completion. The City also has several affordable housing developments targeting seniors including: Sycamore Glen, Horizons, Bella Terra Apartments, the Lodge at Morgan Hill, and the Huntington. Because seniors will often have disabilities as well, these developments also provide affordable housing for elderly residents with disabilities.¹⁷

4. Disparities in Access to Opportunity

¹⁴ <https://www.morgan-hill.ca.gov/DocumentCenter/View/19598/Housing-Resource-Guide-Updated-08-20-2021?bidId=>

¹⁵ <https://osh.sccgov.org/sites/g/files/exjcpb671/files/documents/Measure%20A%201-pager%202022%20-%20Final.pdf>

¹⁶ <https://housingtoolkit.sccgov.org/tools/supportive-housing-map>

¹⁷ <https://www.morgan-hill.ca.gov/DocumentCenter/View/19598/Housing-Resource-Guide-Updated-08-20-2021?bidId=>

4.a. To what extent are people with disabilities able to access the following in the jurisdiction and region? Identify major barriers faced concerning:

i. Government services and facilities

Morgan Hill's website does not provide information on its accessibility policies, except for stating its guarantee that its website itself is accessible and compliant with Section 508 of the Rehabilitation Act. There does not appear to be information about filing a complaint or grievance related to disabilities. If the City has an ADA/504 coordinator, they have not made that information easily accessible. The City's zoning code does provide a procedure to request a reasonable accommodation in land use, zoning, and building regulations for individuals with a disability.¹⁸ Notice of an individual's right to request a reasonable accommodation will be posted in City Hall and forms to apply for one will also be available there.

ii. Public infrastructure (e.g., sidewalks, pedestrian crossings, pedestrian signals)

Although the City does not have ordinances related to accessible public infrastructure requirements, it has passed several community development policies that touch upon this issue. First, recreational activities must be accessible to individuals with a disability.¹⁹ Second, "all facilities shall comply with State and Federal accessibility codes and standards" including the Americans with Disability Act (ADA) and California Access Code (Title 24, California Code of Regulation).²⁰

iii. Transportation

Morgan Hill is part of the regional Community Based Transportation Plan and recently conducted a study to identify the transportation needs of its residents with a particular focus on vulnerable communities.²¹ One project designed to further transit access is the Morgan Hill Transit Center, a regional transportation hub in the southern part of Santa Clara County. Presently the site provides a designated area for individuals with disabilities to board the train and shaded waiting areas. Two accommodations that provide easier and safer access to transit. In its downtown area, the City plans to build several pedestrian improvements including more accessible sidewalks for residents. Additional transportation supports for individuals with disabilities are available through the VTA which provides paratransit services though those services can be expensive and time-consuming.

iv. Proficient schools and educational programs

The Morgan Hill Unified School District provides a range of disability services for residents up to the age of 22. Such programming includes "Individualized Education Planning," which is a plan designed to meet the individual needs of the student based on adequate assessment.²² The District also offers an employment training program called the "Transition Partnership Program" to students ranging from 14 to 22, that gives mentorship, general training, and job opportunities to program participants. Despite these available services, students with disabilities in Morgan Hill

¹⁸ Morgan Hill Muni. Code, § 18.118.010.

¹⁹ C.D. 18.a

²⁰ C.D. 18.e

²¹ https://www.vta.org/sites/default/files/2021-05/Morgan%20Hill_CBTP_Report%20Final.pdf

²² <https://www.cde.ca.gov/sp/se/as/caselpas.asp>

rank 15th out of 28 districts in math and reading comprehension with only 18% of these students deemed proficient in English and only 12% deemed proficient in math.²³

v. Jobs

Data in Morgan Hill shows that for the most part very few individuals with disabilities are employed, comprising less than 3.4% of the total labor force.²⁴ The data also shows that the median wage for these employees is also nearly 20,000 dollars less than for individuals without a disability. When compared to the County as a whole, there is a significant disparity in employment opportunities for individuals with disabilities in Morgan Hill with a notably lower percentage of residents actively employed. It is clear that people with disabilities face many barriers in obtaining employment. It should be noted that the table includes elderly individuals in the population assessed. That may make this data seem more dramatic than it truly is, but low levels of access to employment for people with disabilities nonetheless remain a problem.

Few job training programs are available locally in Morgan Hill, but there is a vocational services program called Social Vocational Services in San Jose that provides educational training and supports for those with cognitive impairments.²⁵

Table 6: 2013-2017 ACS 5-year Estimates, civilian noninstitutionalized population with disabilities aged 16 and over, employment and disability

	% in Labor Force	% Employed
Santa Clara County	24.4%	21.4%
San Jose-Sunnyvale, Santa Clara, CA Region	24.5%	21.5%
Morgan Hill	3.6%	3.4%

The table below corroborates this trend, showing low levels of employment for persons with developmental disabilities who receive services through the San Andreas Regional Center. The San Andreas Regional Center appears to slightly lag statewide averages with respect to the percentage of individuals with earned income but part of that gap may result from a lower proportion of individuals working in segregated settings like sheltered workshops.

Table 7: 2016 Employment Metrics for Adults with Intellectual and Developmental Disabilities, San Andreas Regional Center

²³ <https://innovateschools.org/wp-content/uploads/2021/01/2017-Spotlight-on-Students-with-Disabilities-in-Schools-within-SJUSD.pdf>

²⁴ <https://data.census.gov/cedsci/table?q=Morgan%20Hill&t=Disability&tid=ACSDT5Y2020.C18120>

²⁵ <https://socialvocationalservices.org/>

Regional Center	Percentage of Adults Earning Below Minimum Wage	Percentage of Consumers with Earned Income	Percentage of Adults with a Paid Job in a Community-Based Setting	Percentage of Adults with Integrated Employment As a Goal in Their Individual Program Plan	Percentage of Adults Current Unemployed But Wanting a Job in the Community
State Average	57%	14.2%	13%	27%	45%
San Andreas Regional Center	54%	11.3%	13%	23%	45%

4.b. Describe the processes that exist in the jurisdiction and region for people with disabilities to request and obtain reasonable accommodations and accessibility modifications to address the barriers discussed above.

i. Government services and facilities

Morgan Hill's website includes readily identifiable accessibility pages that provide key information regarding website accessibility and the process for requests related to that subject.²⁶ The website does not have easily identifiable resources regarding how to submit a reasonable accommodation more broadly.

The code of ordinances does provide for a process for applying for a reasonable accommodation in regulations related to zoning and land use. In addition, the City's website provides information on how to request an accommodation for public hearings and meetings.

ii. Public infrastructure (e.g., sidewalks, pedestrian crossings, pedestrian signals)

Morgan Hill does not have a readily identifiable online tool for requesting accessibility improvements, such as curb cuts.

iii. Transportation

The VTA, which serves Morgan Hill, has a clear, dedicated page that describes its reasonable accommodations process, though it is not specific to Morgan Hill. The VTA's policy appears to be consistent with legal requirements and best practices.

iv. Proficient schools and educational programs

Morgan Hill school district's website provides a wealth of information for parents and families in need of special education services. Not only does it provide information on how to access supportive services, the website also offers information on students' rights and the array of programs available to students in need of special supports. But no information is posted about

²⁶ <https://www.morgan-hill.ca.gov/site/accessibility>

how to request a reasonable accommodation or the districts' policies regarding the evaluation of requests. This leaves a gap with respect to students who simultaneously have disabilities, such as mobility impairments, but may not require ongoing special education services. School districts should add content describing their reasonable accommodation policies to their websites.

v. Jobs

It is generally very difficult to find information online regarding employers' reasonable accommodation policies and practices, but the ADA requires most private employers and all state and local entities to provide reasonable accommodations if the requester satisfies the legal conditions for an accommodation.

4.c. Describe any difficulties in achieving homeownership experienced by people with disabilities and by people with different types of disabilities in the jurisdiction and region.

The American Community Survey does not disaggregate disability status by housing tenure. Accordingly, it is not possible to precisely determine the homeownership rate for people with disabilities. Additionally, this Assessment did not reveal any local studies on homeownership among people with disabilities or lending discrimination against people with disabilities in Morgan Hill. Nationally, people with disabilities often face specific barriers in the mortgage lending process, including disparate treatment by mortgage brokers and failures to treat disability income as income. Despite the shortcomings in the California Fair Employment and Housing Act's source of income protections, as interpreted by the courts, that law unambiguously prohibits discrimination in mortgage lending on the basis of receipt of Supplemental Security Income or Social Security Disability Income. Thus, people with disabilities have more protection from lending discrimination in California than they do in many other states.

Contributing Factors of Disability and Access

Consider the listed factors and any other factors affecting the jurisdiction and region. Identify factors that significantly create, contribute to, perpetuate, or increase the severity of fair housing issues related to disability and access, including Segregation, R/ECAPs, Disparities in Access to Opportunity, and Disproportionate Housing Needs. For each contributing factor that is significant, note which fair housing issue(s) the selected contributing factor relates to.

Please see the Appendix for the following Contributing Factors to Disability and Access:

- Access for persons with disabilities to proficient schools
- Access to publicly supported housing for persons with disabilities
- Access to transportation for persons with disabilities
- Inaccessible public or private infrastructure
- Lack of access to opportunity due to high housing costs
- Lack of affordable, accessible housing in range of unit sizes
- Lack of affordable in-home or community-based supportive services;
- Lack of affordable, integrated housing for individuals who need supportive services
- Lack of assistance for transitioning from institutional settings to integrated housing;
- Lack of local or regional cooperation
- Land use and zoning laws
- Lending discrimination

- Location of accessible housing
- Loss of Affordable Housing
- Occupancy codes and restrictions
- Regulatory barriers to providing housing and supportive services for persons with disabilities
- Source of income discrimination
- State or local laws, policies, or practices that discourage or prohibit individuals with
- Disabilities from living in apartments, family homes, supportive housing, shared housing and other integrated settings

DRAFT

e. Fair Housing Enforcement, Outreach Capacity and Resources

List and summarize any of the following that have not been resolved:

- A charge or letter of finding from HUD concerning a violation of a civil rights-related law;
- A cause determination from a substantially equivalent state or local fair housing agency concerning a violation of a state or local fair housing law;
- Any voluntary compliance agreements, conciliation agreements, or settlement agreements entered into with HUD or the Department of Justice;
- A letter of findings issued by or lawsuit filed or joined by the Department of Justice alleging a pattern or practice or systemic violation of a fair housing or civil rights law;
- A claim under the False Claims Act related to fair housing, nondiscrimination, or civil rights generally, including an alleged failure to affirmatively further fair housing;
- Pending administrative complaints or lawsuits against the locality alleging fair housing violations or discrimination.

Presently, no outstanding fair housing complaints are unresolved in Morgan Hill, however, California's Department of Housing and Community Development AFFH Mapping Tool indicates that 12 complaints were made since 2013.²⁷ Of the total complaints, three were for disability discrimination, two were for racial discrimination, and 1 was for familial status discrimination, but no violation was found for any of these 12 complaints.²⁸ Given the relatively small proportion of complaints made, fair housing discrimination is not a pronounced issue here, however, this data alone does not show whether violations occurred but only whether a complaint for the violation was made. Therefore, the information provided should be viewed with this consideration in mind.

Describe any state or local fair housing laws. What characteristics are protected under each law?

California Laws

The State Department of Fair Employment and Housing (DFEH) enforces California laws that provide protection and monetary relief to victims of unlawful housing practices. The Fair Employment and Housing Act (FEHA) (Government Code Section 12955 et seq.) prohibits discrimination and harassment in housing practices, including:

- Advertising
- Application and selection process
- Unlawful evictions
- Terms and conditions of tenancy
- Privileges of occupancy
- Mortgage loans and insurance
- Public and private land use practices
- Unlawful restrictive covenants

The following categories are protected by FEHA:

- Race or color

²⁷ <https://www.arcgis.com/apps/webappviewer/index.html?id=4d43b384957d4366b09aeeae3c5a1f60>

²⁸ *Id.*

- Ancestry or national origin
- Sex, including Gender, Gender Identity, and Gender Expression
- Marital status
- Source of income
- Sexual orientation
- Familial status (households with children under 18 years of age)
- Religion
- Mental/physical disability
- Medical condition
- Age
- Genetic information

Although an individual with a criminal record is not considered a protected class under the law, new protections are in place to prevent a per se ban on individuals with criminal records. In 2021, California's Housing and Community Development agency issued regulations regarding the use of criminal records in housing applications. The regulation forbids "any practice of a person that includes seeking information about, consideration of, or use of criminal history information" when it results in a discriminatory effect or constitutes intentional discrimination, or a discriminatory statement. 2 C.C.R. § 12265. It also prohibits a housing provider's use of blanket bans on tenants with criminal histories and instead, requires the provider to use a multi-factor test to evaluate the applicant. 2 C.C.R. § 12269(5). Additionally, arrests or charges that did not lead to a conviction cannot be used in this criminal history review. 2 C.C.R. § 12265(a-b).

In addition, FEHA contains similar reasonable accommodations, reasonable modifications, and accessibility provisions as the Federal Fair Housing Amendments Act. FEHA explicitly provides that violations can be proven through evidence of the unjustified disparate impact of challenged actions and inactions and establishes the burden-shifting framework that courts and the Department of Fair Employment and Housing must use in evaluating disparate impact claims.

The Unruh Civil Rights Act provides protection from discrimination by all business establishments in California, including housing and accommodations, because of age, ancestry, color, disability, national origin, race, religion, sex, and sexual orientation. While the Unruh Civil Rights Act specifically lists "sex, race, color, religion, ancestry, national origin, disability, and medical condition" as protected classes, the California Supreme Court has held that protections under the Unruh Act are not necessarily restricted to these characteristics. In practice, this has meant that the law protects against arbitrary discrimination, including discrimination on the basis of personal appearance.

Furthermore, the Ralph Civil Rights Act (California Civil Code Section 51.7) forbids acts of violence or threats of violence because of a person's race, color, religion, ancestry, national origin, age, disability, sex, sexual orientation, political affiliation, or position in a labor dispute. Hate violence can include: verbal or written threats; physical assault or attempted assault; and graffiti, vandalism, or property damage.

The Bane Civil Rights Act (California Civil Code Section 52.1) provides another layer of protection for fair housing choice by protecting all people in California from interference by force or threat of force with an individual's constitutional or statutory rights, including a right to equal access to

housing. The Bane Act also includes criminal penalties for hate crimes; however, convictions under the Act may not be imposed for speech alone unless that speech itself threatened violence.

Finally, California Civil Code Section 1940.3 prohibits landlords from questioning potential residents about their immigration or citizenship status. In addition, this law forbids local jurisdictions from passing laws that direct landlords to make inquiries about a person's citizenship or immigration status.

In addition to these acts, Government Code Sections 11135, 65008, and 65580-65589.8 prohibit discrimination in programs funded by the State and in any land use decisions. Specifically, changes to Sections 65580-65589.8 require local jurisdictions to address the provision of housing options for special needs groups, including:

- Housing for persons with disabilities (SB 520)
- Housing for homeless persons, including emergency shelters, transitional housing, and supportive housing (SB 2)
- Housing for extremely low income households, including single-room occupancy units (AB 2634)
- Housing for persons with developmental disabilities (SB 812)

Although the FEHA purports to protect against source of income discrimination, the provision has been largely toothless. In October of 2019, the governor of California signed into law SB 329, prohibiting discrimination in housing based on source of income statewide.

Jurisdiction Ordinances

The City has passed several ordinances to expand the supply of affordable housing. In 2016, the City passed the Below Market Rate law that implements a program to preserve and increase the construction of affordable housing. The ordinance imposes deed restrictions on owner-based and rental-based properties, identifies eligible participants, and sets out the procedures to register and monitor these units as well as an enforcement provision for violations of the law.²⁹ To supplement and strengthen this law, the City enacted its inclusionary zoning ordinance in 2018. The new law requires that any new housing development of two or more units reserve at least ten percent of units for occupancy by very low, low, and moderate-income households.³⁰ But like other jurisdictions, the City allows for alternative means of satisfying this mandate including the payment of in-lieu fees, the construction of housing off-site or the donation of land for the construction of affordable units.³¹ The fees collected are exclusively earmarked for expenditures related to funding affordable housing.³²

The City's existing zoning code also raised potential fair housing related concerns. Previously, the predominating challenge to the expansion of affordable housing in Morgan Hill was its Residential Development and Control Ordinance that limited housing growth and did not exempt affordable housing units from this residential growth cap.³³ But in 2020, the State of California passed Senate Bill 330 suspending local ordinances that restrict housing construction until 2030.

²⁹ Morgan Hill Muni. Code, 14.12.10.

³⁰ Morgan Hill Muni. Code, 14.04.010.

³¹ Morgan Hill Muni. Code, 14.08.010; 14.04.070.

³² Morgan Hill Muni. Code, 14.04.080.

³³ Morgan Hill Muni. Code, 18.156.010.

Since this law is relatively new, the impact of it on local growth cannot be discerned presently. Moreover, currently, most of the City is zoned for single family homes, and very few districts offer multi-family housing to residents, and of the multi-family housing available, even fewer units are reserved for households in need of low-cost housing.³⁴ This is likely to have a disparate impact on communities of color, individuals on a fixed income such as persons with disabilities, and larger families who are low-income.

Similarly, the City restricts employee housing on agricultural land to “transient labor” meaning agricultural laborers who permanently reside in the area cannot rely on this housing source.³⁵ This is likely to indirectly lead to national origin discrimination because work related immigration status may impact one’s own and one’s family’s access to housing.

The City does provide a reasonable accommodation provision in its zoning code that describes the process for requesting a modification of existing zoning standards.³⁶ This ordinance furthers Fair Housing goals.

Identify any local and regional agencies and organizations that provide fair housing information, outreach, and enforcement, including their capacity and the resources available to them.

Information about service and information providers in Morgan Hill is provided below. There appears to be a gap between the availability of these organizations’ services and public awareness of them. Over half of respondents to a survey conducted by the City of Morgan Hill as part of the community engagement process for this Assessment reported not knowing where they could get help if they experienced housing discrimination, and, of those who said that they did know where to turn, very few referenced the service providers listed below by name.

Morgan Hills Housekeys

Housekeys Inc. is a private company hired by the City to administer its affordable housing program. Housekeys assists residents with affordable home ownership and rental and also educates and assists developers or other entities with the permitting and processing involved in the development of affordable housing. The entity does not provide advocacy related to fair housing but does post fair housing information on its website including several FAQs and Know Your Rights pamphlets.³⁷ Because Housekeys is the primary administrator for affordable housing but offers few supports for individuals concerned with fair housing issues, its range of services are inadequate to meet the fair housing needs of local residents.

Project Sentinel

Project Sentinel is the primary Fair Housing contact in Morgan Hill and is the sole entity identified on the City’s website. It is a non-profit organization focused on assisting in housing discrimination matters, dispute resolution, and housing counseling. Project Sentinel’s housing practice assists individuals with housing problems such as discrimination, mortgage foreclosure and delinquency, rental issues including repairs, deposits, privacy, dispute resolution, home buyer education, post purchase education, and reverse mortgages. Additionally, their Fair Housing Center provides education and counseling to community members, housing providers, and tenants about fair

³⁴ Morgan Hill Zoning Map, <https://www.morgan-hill.ca.gov/DocumentCenter/View/328/Zoning-Map>.

³⁵ Morgan Hill Muni. Code, 18.124.020.

³⁶ Morgan Hill Muni. Code, 18.118.010

³⁷ <https://www.housekeys1.com/fair-housing-information>

housing laws, and investigate complaints and advocate for those who have experienced housing discrimination. The City's website only identifies Project Sentinel as a resource for fair housing advocacy.

Bay Area Legal Aid

BALA represents low- and very low-income residents within their seven county service area, which includes Santa Clara County. Their housing practice provides legal assistance regarding public, subsidized (including Section 8 and other HUD subsidized projects) and private housing, fair housing and housing discrimination, housing conditions, rent control, eviction defense, lock-outs and utility shut-offs, residential hotels, and training advocates and community organizations. It's important to note that Legal Aid is restricted from representing undocumented clients.

Law Foundation of Silicon Valley

The Law Foundation of Silicon Valley provides free legal advice and representation to low-income individuals in Santa Clara County. In their housing practice, they assist with defending eviction lawsuits, housing discrimination issues such as reasonable accommodation requests for individuals with disabilities, enforcing the San Jose Tenant Protection Ordinance, legal outreach and support for renter organizing/campaigns, help with housing authority hearings, Section 8 and other low-income housing issues like terminations and eligibility determinations, legal advice and information to tenants regarding notices, and advice and information about foreclosure prevention.

Senior Adults Legal Assistance

SALA is a nonprofit elder law office, providing free legal services to residents of Santa Clara County who are age 60 and older. SALA provides legal services across multiple, non-housing contexts, and in the housing context SALA provides legal assistance in landlord-tenant matters, subsidized/senior housing matters, and mobile home residency matters.

Asian Law Alliance

The Asian Law Alliance provides services at a free or low cost basis to Asian/Pacific and low income people, and offers services in Mandarin, Cantonese, Spanish, Vietnamese, Tagalog, Korean, and other languages as needed. In the housing realm, their mission is to ensure access to decent housing, and prevent and combat illegal and discriminatory housing practices.

Santa Clara County Self-Service Center/Family Law Facilitators Office

The Santa Clara County Self-Service Center is a program based out of San Jose that provides information on court procedures and referrals to organizations that can provide legal assistance in emergency circumstances including individuals facing eviction. The Center does not provide direct representation nor provide legal advice based on an individual plaintiff's case, however, it will assist a pro-se individual with filling out paper work and navigating the court system generally.

Department of Fair Employment and Housing

The California DFEH is a state agency dedicated to enforcing California's civil rights laws. Its mission targets unlawful discrimination in employment, housing and public accommodations, hate

violence, and human trafficking. Victims of discrimination can submit complaints directly to the department.

Additional Information

Provide additional relevant information, if any, about fair housing enforcement, outreach capacity, and resources in the jurisdiction and region.

This Assessment did not reveal any additional relevant information.

Contributing Factors of Fair Housing Enforcement

Consider the listed factors and any other factors affecting the jurisdiction and region. Identify factors that significantly create, contribute to, perpetuate, or increase the severity of fair housing issues related to fair housing enforcement, including Segregation, R/ECAPs, Disparities in Access to Opportunity, and Disproportionate Housing Needs. For each contributing factor that is significant, note which fair housing issue(s) the selected contributing factor relates to.

Please see the Appendix for the following Contributing Factors to Fair Housing Enforcement, Outreach and Resources:

- Lack of local private fair housing outreach and enforcement
- Lack of local public fair housing enforcement
- Lack of resources for fair housing agencies and organizations
- Lack of state or local fair housing laws
- Unresolved violations of fair housing or civil rights law
- Other

5.4 Fair Housing Goals and Priorities

- I. Increase Affordable Housing Opportunities for Protected Class Members in Eastern Morgan Hill.

Although Morgan Hill is a relatively integrated city, affordable housing is not evenly distributed throughout it, with the city's large number of Low Income Housing Tax Credit (LIHTC) units clustered in or near downtown Morgan Hill. The downtown portions of Morgan Hill tend to have higher concentrations of Hispanic residents and relatively lower access to proficient schools than do areas to the east. Additionally, an outsized share of undeveloped land that is within the City's sphere of influence is in the eastern part of the city or in neighboring unincorporated areas. As these areas are likely to see significant market-rate development, ensuring the availability of affordable housing in these areas will help ensure inclusion and access to opportunity.

- a. Identify opportunities and sites for affordable housing development in eastern Morgan Hill.

Although the City of Morgan Hill has sufficient permitted development in its pipeline to ensure that it does not need to identify additional sites to meet its RHNA targets, identifying sites in eastern Morgan Hill would advance the goal of fostering greater integration and ensure a steady supply of affordable housing in the future. Additionally, identifying sites for affordable housing in eastern Morgan Hill now for purposes of the City's next Housing Element could increase the likelihood of 100% affordable housing developments and units for extremely low-income households created separately from affordable housing created through mandatory inclusionary housing. Prioritize the housing subsidies in eastern Morgan Hill to achieve affordability set-asides and depth of affordability exceeding the requirements of the Inclusionary Housing Ordinance.

For developments that are in the pipeline but for which the final mix of affordability levels is not yet determined, the City should prioritize making funds available to developments in eastern Morgan Hill where a higher percentage of affordable units and units affordable at lower income levels would help foster greater integration and access to proficient schools.

- b. Study the creation of affordable housing overlay districts in advance of the next Housing Element cycle.

For future Housing Element cycles, zoning changes may be necessary in Morgan Hill. Affordable housing overlay districts are a tool that can help meet the need for units for very low- and extremely low-income households while avoiding the opportunity cost of scarce rezoned sites being snatched up for predominantly market-rate development.

- II. Protect Tenants from Displacement.

Morgan Hill has a significant homeownership gap with 80.6% of White households owning their homes as opposed to just 53.3% of Hispanic households. While homeownership can protect residents from the impact of rising housing costs, tenants are left vulnerable. A.B. 1482 limits extremely high rent increases, but even allowable increases can still push tenants out, especially if repeated year-after-year. In addition to Hispanic families, adults ages 18 through 64 who have disabilities are also disproportionately likely to rent.³⁸ Although families with children are not

³⁸ Overall, persons with disabilities are not disproportionately likely to rent because the population of persons with disabilities is disproportionately older and older adults are disproportionately likely to be homeowners.

disproportionately likely to rent, the impact of displacement on families that do rent can be particularly acute due to disruption to school assignment and attendance. Morgan Hill should deploy a variety of policy tools to curb displacement.

- a. Consider adoption of a mediation requirement for rent increases of 5% or more.

California's Costa-Hawkins Act preempts the application of local rent stabilization ordinances to single-family homes, condominiums, and homes built after February 1, 1995. As a city that has roughly doubled in population since 1990, that means that a significant proportion of Morgan Hill's relatively modest stock of multifamily housing would be exempt from any rent stabilization ordinance. As a result, the costs of administering rent stabilization may outweigh the benefits that it would deliver to tenants. By contrast, the Costa-Hawkins Act does not prevent California cities from adopting rent increase mediation requirements as some other jurisdictions in the Bay Area have. A mediation requirement might seek to encourage landlords to forgo the opportunity to raise rents by levels that exceed what might be allowed under nearby rent stabilization ordinances (5% in San Jose) but that are not unlawful under A.B. 1482 (10% due to recent increases in inflation).

- b. Study the possibility of a tenant relocation assistance ordinance.

California cities are able to adopt tenant relocation assistance ordinances that require landlords to provide financial assistance to low- and moderate-income tenants displaced as a result of the landlords' actions. The City of Morgan Hill should study the value and feasibility of adopting such a policy locally, looking at (1) the frequency with which tenants are displaced in Morgan Hill through the types of actions that could be triggering events for relocation assistance, (2) the amount of relocation benefits that would be necessary to enable Morgan Hill residents at income levels typical for affected buildings to be able to remain in the city, and (3) the efficacy of relocation assistance ordinances in other cities in the Bay Area at enabling displaced tenants to find new housing near their former homes.

- c. Seek funding or develop paths of support for access to counsel in possessory eviction cases.

Access to counsel has a significant impact on tenant outcomes in possessory eviction cases, potentially preventing eviction but also having the potential to facilitate better relocation outcomes for tenants who do end up relocating. By providing additional funding to close the gap between the current capacity of legal services providers and the total need for representation in possessory eviction cases. Increased access to counsel may have particular benefits for tenants with disabilities who may have additional defenses available to them in eviction cases that are unavailable to others.

- d. Support shared-equity homeownership models.

Another way of protecting protected class members who are tenants from displacement is to create opportunities for them to access homeownership. Although creating homeownership opportunities for very low- and extremely low-income households can be difficult, shared-equity models like limited equity cooperatives and community land trusts have proven track records. The City could seek to support these models both through land donation and through the commitment of subsidy dollars. Shared-equity homeownership models may also provide opportunities for the creation of affordable housing in locations that are not realistic candidates for major rezoning. Single-family homes on small lots may be a viable housing type for a shared-equity homeownership effort.

- e. Review the Inclusionary Housing Ordinance to provide deeper for-sale affordability beyond the updated 2021 Inclusionary Housing Ordinance.

Currently, the City's Inclusionary Housing Ordinance requires the provision of units affordable to moderate-income households in for-sale developments. Requiring that developers achieve deeper owner-occupied affordability through cross-subsidization and existing incentives may not be effective. However, the City could seek to bridge the gap between inclusionary for-sale units and low-income households by providing financial support. Additionally, in light of the homeownership gap in Morgan Hill, the City should require developers to affirmatively market for-sale inclusionary units to Hispanic households.

- f. Adopt preferences for tenants who have been displaced from rental housing in Morgan Hill.

The City should consider implementing an admissions preferences for affordable housing for tenants who have recently been displaced. These tenants are more likely to be members of protected classes. Such a preference could apply both in inclusionary developments and in affordable developments that receive City funds.

III. Connect Morgan Hill Residents to Employment Opportunities.

In general, access to a wide range of types of opportunity are available to residents of Morgan Hill. Although school proficiency is not equal across the city, there are high-performing schools in the city. Access to environmental health is generally higher than in much of the region. Key related exceptions involve transportation and job access. Morgan Hill does not have the abundance of job opportunities that exist further north in Santa Clara County. The disconnect between where Morgan Hill residents – a population that is more heavily Hispanic than the broader region – live and where jobs are concentrated can be addressed in two broad ways. First, the City can seek to increase employment opportunities in Morgan Hill itself. Second, the City can seek to address transportation gaps in order to make it easier for residents to reach jobs in northern Santa Clara County.

- a. Prioritize the creation of jobs that are accessible to low- and very low-income workers who reside within the Downtown Morgan Hill Priority Development Area (PDA).

The burden of long commutes to northern Santa Clara County does not fall evenly on all workers. Employees in high-paying technology and other professional jobs are better able to absorb the cost of relatively high fares on Caltrain or car maintenance and gas (or the expense of buying an electric or more fuel-efficient vehicle). Additionally, they are more likely to have jobs that allow them to work at home some or all of the time. For lower income workers, often living in downtown Morgan Hill, in service, retail, manufacturing, and logistics jobs, high transportation costs may be a significant burden with the potential to cancel out the reduced housing costs of living in Morgan Hill rather than northern Santa Clara County. When making zoning decisions with implications for types of job creation and determining how to utilize limited resources for incentivizing job creation, the City should prioritize the creation of jobs that strike a balance between decent wages and low barriers to entry (in terms of educational attainment and other credentials).

- b. Create incentives for local businesses to hire Morgan Hill residents.

For jobs that exist in Morgan Hill, increasing the likelihood that Morgan Hill residents obtain those jobs would help to reduce disparities in access to employment faced by Hispanic residents. These incentives could include expedited processing of permit applications, a tax break or some other subsidy for each job filled by a Morgan Hill resident.

- c. Advocate for VTA to expand bus service in Morgan Hill.

Morgan Hill has both local bus service and connections to San Jose through VTA bus lines, but local service is limited, both in terms of areas served and frequency, and hours of service. The City does not have control over VTA's bus network but should encourage expansions of service that make commuting by bus a more realistic option for workers in Morgan Hill, including service and retail workers who are more likely to work evenings and weekends. In particular, the corridor along Dunne Avenue has significant development but lacks local bus service.

- d. Study local first mile/last mile transit service solutions in Morgan Hill building on lessons learned from the first on-call shuttle service established within the City.

To the extent that VTA or Caltrain services expansion are both outside the City's control and may be unlikely to occur, the City can still focus on the development of first mile/last mile options that connect residents to Caltrain and regional bus service. If the City is successful in facilitating affordable housing development in the eastern portion of the city, which has less access to regional transportation networks, it will be critical ensure that first mile/last mile solutions are coordinated with such development.

IV. Increase Fair Housing Enforcement, Outreach, and Education in Morgan Hill.

Santa Clara County contracts with Project Sentinel, a private, nonprofit organization, to provide fair housing services throughout the Santa Clara Urban County, which includes Morgan Hill. As the largest city in the Urban County, however, it is likely that Morgan Hill could benefit from more geographically targeted enforcement, outreach, and education efforts to counter housing discrimination. Such efforts might focus on discrimination against Housing Choice Voucher holders, which only became unlawful as of January 2020. The City might consider either entering into a separate contract with Project Sentinel or providing funds to Santa Clara County to increase its contract amount and target some portion of Project Sentinel's efforts to Morgan Hill specifically.

5.5 Contributing Factors Appendix

Access to financial services

This analysis of access to financial services is measured by physical access to bank branch locations. The FDIC provides information on the location of banks by physical addresses, cities and towns, counties, and states. According to the FDIC dataset, Morgan Hill has nine FDIC-Regulated Full-Service Brick and Mortar Branches³⁹ for their population of just over 45,000 people.⁴⁰ This is relatively consistent with the amount of financial services offered throughout other municipalities in Santa Clara County. Although the existence of physical financial services does not examine discriminatory practices within these services, it does suggest that many residents have sufficient access to financial services.

Access to proficient schools for persons with disabilities

Morgan Hill Unified School District (MHUSD) offers special education services to 1,072 students with disabilities. Programs include WorkAbility, a training program for special education students ages 14.9-22 that provides career awareness and exploration in addition to secondary education.⁴¹ MHUSD's Local Control and Accountability Plan (LCAP) provides strategic and intensive interventions in support to underperforming student groups such as Low Socioeconomic Status, English Learner, Migrant, and Foster/Homeless.⁴²

Students with disabilities in MHUSD disproportionately face suspension, with the average suspension rate being 5% in 2018-2019 (pre-COVID, when schools were open), but the rate for students with disabilities being almost double the rate at 9.7%.⁴³ Disproportionate student punishment can be an additional barrier for students with disabilities from accessing and staying within proficient schools.

Across Santa Clara County, students are not easily able to transfer between school districts without actually changing residences, and access to high-quality programs that may not be available in their home district generally is not grounds for inter-district transfer. Disparities in school discipline also decrease access to proficient schools and to any education whatsoever. Across Santa Clara County, the suspension rate for students with disabilities is over three times the rate for students who do not have disabilities. This is a higher rate of disparity than the statewide rate.

Access to publicly supported housing for persons with disabilities

Data from HUD shows that, across jurisdictions in Santa Clara County, persons with disabilities are underrepresented in Project-Based Section 8 developments in relation to their proportion of the income-eligible populations. Because local governments in the area do not play a direct role in the administration of Project-Based Section 8 developments, support for fair housing organizations to engage in testing of these developments may be the most effective way of

³⁹ All FDIC-related data derived from: *Download Data*, FEDERAL DEPOSIT INSURANCE CORPORATION, <https://banks.data.fdic.gov/bankfind-suite/bankfind?activeStatus=0%20OR%201&branchOffices=true&city=Morgan%20Hill&pageNumber=1&resultLimit=25&stalp=CA>

⁴⁰ All population and minority population data derived from: *QuickFacts*, UNITED STATES CENSUS BUREAU, (<https://www.census.gov/quickfacts/fact/table/morganhillcitycalifornia/BZA010219>).

⁴¹ DataQuest, California Department of Education, Morgan Hill Unified Report, 2019-20 Enrollment by Subgroup for Charter and Non-Charter Schools <https://dq.cde.ca.gov/dataquest/dqcensus/EnrCharterSub.aspx?cds=4369583&aggllevel=district&year=2019-20&ro=y>

⁴² MHUSA LCAP Plan, https://drive.google.com/file/d/1wQ7bfUZcUZ5_rCCqanA1KnkGndBl_-u/view

⁴³ Morgan Hill Unified School District, Local Control Accountability Plan and Annual Update (LCAP) Template (2018).

addressing this underrepresentation. Although the data does not reflect similar disparities for other types of publicly supported housing, low-income persons with disabilities may also have limited access to Low Income Housing Tax Credit (LIHTC) units due to the way rents are set in those developments.

Morgan Hill has a moderate proportion of residents with disabilities. According to the 2019 American Community Survey (ACS) 5-Year Estimate, roughly 4,033 residents of Morgan Hill have disabilities, amounted to 9.1% of the total population. In contrast, approximately 8.0% of county residents have a disability. Organizations supporting people living with disabilities in housing matters in Morgan Hill are not based in the city itself. Instead, disability housing services are mostly based in San José, or other areas.

Access to transportation for persons with disabilities

In Santa Clara County, VTA Access Paratransit (a non-profit organization) works with the county's Valley Transit Authority to provide rides to seniors and adults under the American Disabilities Act (ADA) who cannot drive. A person must only have a partial disability and live in the county to become eligible for VTA Access service. It costs \$4.00 for a one-way trip of any distance.⁴⁴ This is cheaper than rideshare services. The person must schedule their ride one to three days in advance, and their pickup and drop-off locations have to be in the county. The person must also go through their eligibility certification process, which includes a one-page Data Card and a phone interview. The Data Card asks for basic personal information, such as the person's birthdate, addresses, primary language; explanation of the person's primary disability; and information regarding any mobility aids or specialized equipment.⁴⁵

Morgan Hill has a Caltrain stop at 17300 Depot Street in Morgan Hill. This station is in Zone 6, and it takes approximately two hours to reach San Francisco

Ken Transportation is also available for all residents of Santa Clara County who need non-emergency rides. It is intended for people in wheelchairs or that need assistance using vehicles.⁴⁶

The barrier to access to transportation for persons with disabilities, which is closely tied to broader issues with transportation in the area, is an overall lack of public transportation. Due to their disproportionately low incomes and the decreased likelihood of being able to use private vehicles for transportation, persons with disabilities bear the brunt of deficiencies in the system. Lack of transportation is connected to health and employment outcomes as low-income persons with disabilities often need public transportation to get to medical appointments or to workplaces.

Admissions and occupancy policies and procedures, including preferences in publicly supported housing

The Santa Clara County Housing Authority (SCCHA) administers admissions and occupancy policies and procedures for Housing Choice Voucher holders in Morgan Hill. SCCHA lists only one local preference for its Housing Choice Voucher Program: income eligible families displaced as a result of a federally-declared disaster. Additionally, SCCHA states in its HCV Administrative Plan that it will issue available 59-Mainstream vouchers to eligible people on the Section 8 Waiting List who have a disabled (elderly or non-elderly) head of household, spouse, and/or co-head. SCCHA receives direct applicant referrals from partnering agencies for the following programs:

⁴⁴ Paratransit and elder transport services, Sarah Care of Campbell, <https://sarahcarecampbell.com/paratransit-services.php> (last visited Jun 10, 2021).

⁴⁵ Personal Data Card, Certification and Authorization for Release of Protected Health Information, EnglishApp_2017.pdf, http://vtaorgcontent.s3-us-west-1.amazonaws.com/Site_Content/EnglishApp_2017.pdf (last visited Jun 10, 2021).

⁴⁶ Ken Transportation | A Medical Transportation Provider in San Jose, California | About Us, , <http://www.kentransport.com/medical-transportation-about-us> (last visited Jun 10, 2021).

Chronically Homeless Direct Referral Program, Special Needs Population Direct Referral Program, and Veterans Affairs Supportive Housing Program. Those who are referred from these programs are able to bypass the Section 8 or Project-Based Voucher waiting lists. Finally, SCCHA may draw from the waiting list and/or receive direct referrals from the Santa Clara County Office of Supportive Housing for the Mainstream Voucher Program

SCCHA also applies criminal background screening policies which are fairly consistent with fair housing best practices. The Housing Authority applies a reasonable lookback period of just three years. However, their policy also states that they *may* terminate assistance “if a household member has engaged in criminal activity (by preponderance of evidence) regardless of whether the member has been arrested or convicted.” Still, in determining whether to deny or terminate assistance, the Housing Authority considers a multitude of factors, including the seriousness of the case, the effect of termination on other household members, the participation or culpability of other household members, the time elapsed, recent history, and likelihood of favorable conduct in the future.

The availability of affordable units in a range of sizes

Morgan Hill has a substantial supply of LIHTC and BMR housing but few units produced through other programs. There are no 3+ bedroom BMR units in the city.⁴⁷ At the same time, at least 366 LIHTC units in Morgan Hill (more than one-third of the total supply) appear to have three or more bedrooms.⁴⁸ A lack of affordable units in a range of sizes can cause overcrowding as families are forced to share smaller units. In Morgan Hill, 14% of renter households experience overcrowding (the same rate as renters in the county). 0% of Black, 0% of Native American, 5% of White, 5% of Asian American or Pacific Islander, and 14% of Hispanic residents of the city experience overcrowding. (These racial categories are all referring to individuals of that race alone, except Hispanic which is referring to Hispanic people of all races.) This issue is compounded by the lack of 3+ bedroom BMR housing. The Morgan Hill Family – Scattered Site project is a new construction 41-unit apartment project located in the Morgan Hill. Altogether, 18 of these units are 3-bedroom units (including one reserved for a staff manager).⁴⁹ Besides the manager unit, all units are reserved for Project-Based Voucher holders. SCCHA’s Housing Choice Voucher waiting list last formally opened in 2006 and the average wait for a household to receive a housing voucher is 8-10 years. However, SCCHA has begun opening “interest lists” for HCV assistance, and households are able to sign up for the interest list at this time.

The availability, type, frequency, and reliability of public transportation

Public transportation is extremely limited in Morgan Hill. Caltrain⁵⁰ and VTA⁵¹ offer regional service between Morgan Hill and San Jose, but that service is relatively infrequent. Additionally, Caltrain fares are unaffordable for some low-income commuters. VTA also operates local bus service in Morgan Hill, but that service also suffers from geographic coverage gaps in the eastern part of the city and long headways.⁵²

The public transportation system in Santa Clara County has significant gaps that render existing systems, including those of the Valley Transportation Authority and Caltrain less usable to low-income individuals who are disproportionately members of protected classes. Specifically, bus service is extremely limited in many parts of the county, particularly outside of San Jose, with

⁴⁷ City of Morgan Hill, [BMR Rental List - Updated October 2021](#).

⁴⁸ <https://lihtc.huduser.gov/>

⁴⁹ [MORGAN HILL FAMILY APARTMENTS, 41 UNITS \(A SCATTERED SITE PROJECT\)](#).

⁵⁰ <https://www.caltrain.com/stations/systemmap.html>

⁵¹ <https://www.vta.org/go/routes/68>

⁵² <https://www.vta.org/go/routes/87>

some major arterial streets lacking any service. Even where service exists, 30-minute headways or wait times between buses are common. Transportation between South County and San Jose can be extremely time-consuming with trip times of nearly two hours, not accounting for unexpected traffic, between Gilroy and San José. Faster forms of transportation, such as Caltrain, are often too expensive for daily use by members of protected classes, and the Valley Transportation Authority's light rail system is limited in scope, not traveling past Mountain View to Palo Alto, not connecting to Cupertino, and not connecting to South County. Advocates and stakeholders reported that the VTA's bus network is spread too thin and has too few buses and/or wait times between buses to efficiently and effectively meet people's needs. In turn, those problems reduce ridership, resulting in decreased fare revenue and a justification for cutting service further.

Community opposition

Community opposition has not derailed or delayed the development of affordable housing to nearly the extent of some other cities in Santa Clara County and the broader Bay Area. Morgan Hill's large supply of LIHTC and BMR units, as well as the fact that it already has sufficient permitted units to meet its RHNA allocation for the next Housing Element cycle are all indicative of community support for affordable housing. By contrast, particularly in the highest resource portions of the region, housing production, and affordable housing production in particular, has lagged, in part due to community opposition.

Deteriorated and abandoned properties

Between its relatively young housing stock and the high demand for housing in both the city and the region,⁵³ Morgan Hill has few issues with deteriorated and abandoned properties. For the most part, that high demand in the region ensures that housing is turned over and rehabilitated frequently. This demand has created gentrification that, in turn, has led to a rapid increase in high-end, luxury buildings replacing deteriorated older housing – creating cost difficulties for existing neighborhood residents and leading a large proportion of households to be rent-burdened. At the same time, this gentrification has ensured housing stock is rarely on the market long enough to become deteriorated or abandoned.⁵⁴ Gentrification and displacement risk in Morgan Hill are of concern but not to the same extent as in other cities in the region that have higher concentrations of renters and more renters living in non-deed restricted older units.

Displacement and lack of housing support for victims of domestic violence, dating violence, sexual assault, and stalking

Domestic violence (DV) remains a notable issue within Morgan Hill. Santa Clara County, where Morgan Hill is located, averages 9 deaths a year due to domestic violence with many more people being affected by non-fatal forms of interpersonal violence⁵⁵. Across the country and within Morgan Hill, victims and survivors of domestic violence are forced to make the decision between remaining within a physically or emotionally abusive relationship or household to ensure themselves access to housing or to adopt the risk of losing such shelter in order to escape this violence. The accessibility of domestic violence shelters within Santa Clara County is notably

⁵³ COUNTY OF SANTA CLARA, HOUSING ELEMENT UPDATE 2015-2022, 29 (2014),

https://www.sccgov.org/sites/dpd/DocsForms/Documents/HealthElement_2015_Adopted_Final.pdf.

⁵⁴ Bruce Colbert, *Resolving California's Housing and Homeless Crisis*, NEW GEOGRAPHY (Nov. 15, 2018),

<https://www.newgeography.com/content/006142-resolving-californias-housing-and-homeless-crisis> (discussing the effects of gentrification, including reductions in deteriorated housing).

⁵⁵ Emanuel Lee, *Domestic Violence Cases Decrease During Pandemic* San Jose Inside (2020),

<https://www.sanjoseinside.com/news/domestic-violence-cases-decrease-during-pandemic/> (last visited Jun 23, 2021).

limited when compared to the number of survivors in need of housing support; 2,500 people are turned away from such shelters annually within the area.

The U.S. Department of Housing and Urban Development (HUD) and the County of Santa Clara Office of Supportive Housing are aware of the dangerous decision that many people, disproportionately women, are forced to make, and included within a larger 2019 grant to combat homelessness within the area, the county received \$1 million in federal funding to be allocated to housing support for survivors of domestic violence.⁵⁶ As accessible and affordable housing continues to be a priority within Morgan Hill and Santa Clara County, it is imperative that there are intentional steps taken to ensure this accessibility remains true for domestic violence survivors.

Additionally, California state law protects victims of domestic violence, sexual assault, stalking, human trafficking, or abused elder or dependent adult who terminates their lease early.⁵⁷ The tenant must provide written notice to the landlord, along with a copy of a temporary restraining order, emergency protective order, or protective order that protects the household member from further domestic violence, sexual assault, stalking, human trafficking, or abuse of an elder or dependent adult. Alternatively, proof may be shown by submitting a copy of a written report by a peace officer stating that the victim has filed an official report, or documentation from a qualified third party acting in their professional capacity to indicate the resident is seeking assistance for physical or mental injuries or abuse stemming from the abuse at issue. Notice to terminate the tenancy must be given within 180 days of the issuance date of the qualifying order or within 180 days of the date that any qualifying written report is made.

Displacement of residents due to economic pressures

For the most part, the high demand for housing in Santa Clara County,⁵⁸ including in Morgan Hill, ensures that housing is turned over and rehabilitated frequently. This demand has created gentrification that, in turn, has led to a rapid increase in high-end, luxury buildings replacing deteriorated older housing – creating cost difficulties for existing neighborhood residents and leading to cost-burden and severe cost-burden. Morgan Hill has not experienced decline in its population of people of color, likely as a result of its strong affordable housing production and relatively lower housing costs than in northern Santa Clara County. There is a need for strong anti-displacement policies in Morgan Hill to prevent low-income residents, who are disproportionately likely to be Hispanic and/or to have disabilities, from being pushed out of the city, if housing costs in Morgan Hill rise to the levels of northern Santa Clara County or if affordability covenants for deed-restricted units expire.

Impediments to mobility

There are no mobility counseling programs in Santa Clara County, including in Morgan Hill.

Santa Clara County utilizes exception payment standards to bring more apartments in high opportunity areas within reach of Housing Choice Voucher holders. For example, the payment standard for a one-bedroom unit is \$2,360. A Zillow search conducted during this Assessment of Fair Housing process revealed 20 advertised units within that price range. The payment standard

⁵⁶ Laurel Anderson & Marina Hinestrona, County of Santa Clara Receives over \$21 Million in Federal Funding for Homeless Housing Programs County News (2019), <https://www.sccgov.org/sites/opa/newsroom/Pages/federalfundingforhomelesshousingprograms.aspx> (last visited Jun 23, 2021).

⁵⁷ Cal. Civ. Code § 1946.7

⁵⁸ COUNTY OF SANTA CLARA, HOUSING ELEMENT UPDATE 2015-2022, 29 (2014), https://www.sccgov.org/sites/dpd/DocsForms/Documents/HealthElement_2015_Adopted_Final.pdf.

for a two-bedroom unit is \$2,851. A Zillow search again revealed 20 available units under that price.

Santa Clara County uses separate waiting lists for its various affordable housing programs and has a policy of absorbing all incoming vouchers porting into the county. The City of Morgan Hill uses a single partner – Housekeys – to administer the lease-up process for all of its BMR properties, which, in turn, makes it easier for tenants to find affordable units in the city regardless of location.

Inaccessible buildings, sidewalks, pedestrian crossings, or other public or private infrastructure

This Assessment did not reveal any current or ongoing concerns about inaccessibility within government facilities and services within Morgan Hill. Santa Clara County has additional measures to ensure that government facilities and services are accessible. This includes the position of a Coordinator of Programs for the Disabled whose role is to ensure accommodations and field complaints of accessibility violations within the county,⁵⁹ as well as a newly established Office of Disability Affairs who will ensure compliance and equitableness within county accessibility.⁶⁰ This is a positive sign that the government facility and services within the City of Morgan Hill will match this accessibility, as there are otherwise county-wide measures to hold them accountable if they do not.

Inaccessible government facilities or services

This Assessment did not reveal any current or ongoing concerns about inaccessibility within government facilities and services within Morgan Hill. The city website is accessible to persons with disabilities (particularly users with vision impairments) as required with Section 508 of the Rehabilitation Act.⁶¹

Lack of access to opportunity due to high housing costs

In Morgan Hill, the average home value is \$1,399,720, which has increased by 26.4% between 2021 and 2022.⁶² The median rent for a one-bedroom apartment is \$2,841, which is a 17% year-over-year change from 2020.⁶³ These high housing costs are out of reach for households at many income levels but particularly for extremely low- and very-low income households that are disproportionately Hispanic and that disproportionately include persons with disabilities. High housing costs make it difficult to move to Morgan Hill, and, within Morgan Hill, they make the downtown area, where the vast majority of deed-restricted affordable housing is located, the primary viable living option. However, downtown Morgan Hill may not afford residents as high access to proficient schools as eastern Morgan Hill where housing costs are even more out of reach. These issues are in many ways even more intense in the broader region as northern Santa Clara County – particularly the West Valley – has many areas with extremely high housing costs as well as abundant educational and employment opportunities.

Lack of affordable, accessible housing in a range of unit sizes

⁵⁹ Public Access functional for Under the Americans with Disabilities Act, Public Access Under the Americans with Disabilities Act - County of Santa Clara, <https://www.sccgov.org/sites/scc/Pages/public-access-americans-disabilities-act.aspx> (last visited Jun 25, 2021).

⁶⁰ Katie Lauer, Santa Clara County Creates Office of Disability Affairs to Improve Accessibility San Jose Inside (2021), <https://www.sanjoseinside.com/news/santa-clara-county-creates-office-of-disability-affairs-to-improve-accessibility/> (last visited Jun 25, 2021).

⁶¹ <https://www.morgan-hill.ca.gov/accessibility>

⁶² <https://www.zillow.com/morgan-hill-ca/home-values/>

⁶³ <https://www.zumper.com/rent-research/morgan-hill-ca>

Although Morgan Hill has been successful in its efforts to foster significant development of LIHTC and BMR housing in recent years, BMR development has included relatively more one- and two-bedroom units than three-bedroom units. There appear to be no available three-bedroom BMR units whatsoever.⁶⁴ As discussed above, with at least 366 LIHTC units with three or more bedrooms, larger LIHTC units are relatively more available than are larger BMR units. Because most affordable multifamily development in Morgan Hill has been fairly recent, most such units were subject to accessibility requirements.

It is also imperative that not only is there a sufficient amount of affordable housing, but that there are also enough units across a range of unit sizes so that these developments are accessible to groups or families of all numbers. A lack of affordable units in a range of sizes can cause overcrowding as families are forced to share smaller units. Overcrowding is already an issue in Santa Clara County, especially among Hispanic households. The 2015-2019 American Community Survey shows that Hispanic households experience overcrowding at a rate of 17.9%. This is almost double the rate of the next-highest group, which is Asian American households (9.2%).

Lack of affordable in-home or community-based supportive services

Much of the infrastructure for in-home and community-based supportive services in Morgan Hill consists of private businesses and small nonprofit organizations rather than government or public services, and few nonprofit or governmental services are based in Morgan Hill itself. For example, the San Andreas Regional Center, a nonprofit that serves individuals with developmental disabilities and their families, operates in Monterey, San Benito, Santa Clara, and Santa Cruz Counties. Similarly, resources regarding in-home and community-based supportive services are provided primarily at the county level rather than the city level. At the county level, due to the absence of any waiting list for Home and Community-Based Services for persons with developmental disabilities, this issue primarily affects people with psychiatric disabilities. A robust array of services, including the most intensive models of community-based services like Assertive Community Treatment, are available. Additionally, across types of disabilities, undocumented adults face barriers due to federal restrictions of Medicaid assistance for undocumented people. The California Legislature has approved state funding for Medi-Cal services for undocumented people until they reach the age of 26, a critical investment that exceeds that of any other state, but there remains a funding gap for services for most undocumented adults.

Lack of affordable, integrated housing for individuals who need supportive services

There is a large overall shortage of affordable housing in Morgan Hill, as suggested by the large proportion of households that are rent-burdened. Without more overall affordable housing, it is impossible to provide more affordable, integrated housing for individuals who need supportive services. Morgan Hill is home to one development assisted with Measure A funds – Crossings on Monterey – and has one more in the pipeline – Royal Oak Village.⁶⁵ These developments either have or are planned to have fewer units than most Measure A developments assisted by Santa Clara County. Housing for individuals who need supportive services in Santa Clara County is largely located outside of Morgan Hill—for example, in San José. As a consequence, only around 5% of those in need of supportive services qualify for Permanent Supportive Housing, which has led to increasing homelessness in the region, which affects Morgan Hill alongside its neighbors.

Lack of assistance for housing accessibility modifications

⁶⁴ <https://www.morgan-hill.ca.gov/DocumentCenter/View/24873/BMR-Rental-Unit-List-October-2021-PDF>

⁶⁵ <https://osh.sccgov.org/housing-community-development/2016-measure-affordable-housing-bond/2016-measure-housing-bond>

The City of Morgan Hill provides funding to Rebuilding Together to assist with home rehabilitation, which often includes accessibility modifications.⁶⁶

Farewell to Falls is a free, home-based program intended to prevent seniors from falling in their homes in Santa Clara County (and San Mateo County). The program focuses on home modifications. Farewell to Falls works through the Trauma Service and Emergency Department at Stanford University Medical Center.⁶⁷

Home Safety Services provides home modifications, such as grab bars, stair railings and wheelchair ramps, for seniors. Rebuilding Together *Silicon Valley* also aid with home modifications for low-income homeowners in Morgan Hill, among other cities and unincorporated areas of Santa Clara County.⁶⁸

Lack of assistance for transitioning from institutional settings to integrated housing

Much of the Morgan Hill assistance available to those from marginalized communities attempting to transition from an institutional setting to integrated housing is non-specific to the city and instead operates at a county level for all of Santa Clara. This does allow for the assistance to be more robust and cover more groups in need of transition help. For disabled adults, the Silicon Valley Independent Living Center offers resources and supportive housing-related services. The Santa Clara Resource Reentry Center offers housing assistance and referrals for individuals attempting to reintegrate into society after leaving the criminal justice system. Although not an institutional setting, there are attempts to help homeless individuals transition into integrated housing as well such as through the Community Plan to End Homelessness⁶⁹ which has been endorsed by Morgan Hill.⁷⁰

Lack of community revitalization strategies

The City of Morgan Hill does not lack community revitalization strategies. The city's downtown area is the most racially, ethnically, and socioeconomic part of the city, as well as the part of the city that has the highest concentration of residents in greater need of access to opportunity. The Downtown Specific Plan presents a holistic vision for ensuring that the downtown area is economically vibrant and affords residents access to opportunity.⁷¹ Regionally, there also does not appear to be a lack of place-based revitalization planning.

Lack of local private fair housing outreach and enforcement

There are multiple fair housing organizations serving Morgan Hill. The organization most directly focused on fair housing is Project Sentinel, a non-profit based in Santa Clara (but serving the entire county) which aims to promote fair housing through fair housing testing, the filing of administrative complaints, and landlord-tenant mediation.⁷² Santa Clara County provides CDBG funds to Project Sentinel to serve a geographic area that includes Morgan Hill.⁷³ Other organizations include Bay Area Legal Aid, Law Foundation of Silicon Valley, Senior Adults Legal Assistance, Legal Aid Society of Santa Clara County, and Asian Law Alliance, each of which

⁶⁶ <https://www.morgan-hill.ca.gov/316/Housing-Rehabilitation>

⁶⁷ Senior & Aging Adult Resources - Santa Clara County Fire Department, <https://www.sccfd.org/education-and-preparedness-overview/safety-information-referral-assistance/senior-aging-resources> (last visited Jun 24, 2021).

⁶⁸ Ibid.

⁶⁹ Santa Clara County, Santa Clara County Community Plan to End Homelessness 2020-2025 (2020).

⁷⁰ <https://www.morgan-hill.ca.gov/DocumentCenter/View/37598/20-069-Endorsing-2020-Community-Plan-to-End-Homelessness?bidId=>

⁷¹ <https://www.morgan-hill.ca.gov/668/Downtown-Specific-Plan>

⁷² <https://www.housing.org/about>

⁷³ <https://www.morgan-hill.ca.gov/1859/Fair-Housing>

provides some variation of fair housing services to different communities within Morgan Hill, the County, and the surrounding region.

However, this private fair housing outreach and enforcement may not be sufficient. Almost all of these fair housing organizations and outreach/enforcement efforts are conducted at a county-wide or regional level rather than being specifically for Morgan Hill, and organizations generally do not have offices in Morgan Hill (though Project Sentinel has a satellite office in Gilroy). Although this is understandable as there may not be sufficient resources to support Morgan Hill-specific work, it does raise concerns about private efforts insufficiently addressing Morgan Hill-specific issues in favor of larger issues.

Lack of local public fair housing enforcement

The California Department of Fair Employment and Housing (DFEH) conducts public fair housing enforcement in Morgan Hill. Residents may submit complaints to the agency, which they will investigate and determine whether or not the complainant has a right to sue. Santa Clara-wide, community engagement has indicated that advocates prefer to file complaints with HUD over DFEH, because the intake process can be lengthy. DFEH tends to have a high volume of cases, with advocates reporting intake interviews sometimes taking place up to four months after filing a complaint. There has also been inconsistent reporting among various investigations. DFEH tends to achieve better results if there is more evidence provided upfront, and/or if the site of the complaint is near their offices. Santa Clara County, of which Morgan Hill is a part, was responsible for over 600 received complaints. While there is not segregated data for the cities within Santa Clara County to determine how many of these complaints originated from Morgan Hill, the high total number does suggest that there are likely many complaints of discrimination in Morgan Hill causing individuals and families to reach out to agencies such as DFEH and HUD.

Lack of meaningful language access for individuals with limited English proficiency

Many documents on Morgan Hill's website are translated from English into Spanish, and some documents are translated into Asian languages, including Vietnamese and/or Tagalog. Given that Spanish may be the only required language for translation under HUD's criteria, the City's efforts appear to exceed those required by law of CDBG subrecipients. Nonetheless, the development of a formal Language Access Plan may help ensure greater consistency in translation practices. There is reason for concern about the potential for unfair practices among private landlords that only provide information and documents to LEP tenants in English.

Lack of private investment in specific neighborhoods

As previously mentioned, downtown Morgan Hill is the most racially, ethnically, and socioeconomically diverse part of the city. It is also the part of the city regarding which it is important that the City remain on guard against possible disinvestment. Nonetheless, there does not appear to be any lack of private investment in downtown Morgan Hill, as many of the significant developments in the pipeline in Morgan Hill are located in that area.⁷⁴

Lack of public investment in specific neighborhoods, including services or amenities

Likewise, lack of public investment in specific neighborhoods, including services or amenities, is not a contributing factor to fair housing issues in Morgan Hill. Many of the projects in the development pipelines referred to above are assisted with both private and public investment. Additionally, the Downtown Specific Plan demonstrates a holistic approach to pairing land use

⁷⁴ <https://www.morgan-hill.ca.gov/DocumentCenter/View/40380/Significant-Projects---January-2022>

changes with infrastructure investments in the most racially, ethnically, and socioeconomically diverse part of Morgan Hill.

Lack of local or regional cooperation

Morgan Hill does have notable connections to the remainder of the county and region in a number of areas. Firstly, it is a member of the Cities Association of Santa Clara County (SCASCC) along with 14 other cities in the region who share a policy priority of housing/unhoused advocacy⁷⁵ as outlined in their Housing Position Paper.⁷⁶ Beyond housing, Morgan Hill is connected to the remainder of the region within areas such as transportation, orchestrated by the VTA, as well as by relying on other county services particular to housing such as through governmental organizations like the Santa Clara Housing Authority and through external organizations like the Silicon Valley Independent Living Center (housing assistance for disabled adults within the county).

With that being said, there are significant ways in which insufficient regional cooperation exacerbates fair housing issues in Morgan Hill. Namely, some high resource cities have not facilitated the production of sufficient housing at a range of income levels to meet their share of regional need. Cities like Morgan Hill that are more accepting of new residential development pick up the slack. Such growth is positive for Morgan Hill and helps to make it a more vibrant community, but there are trade-offs, including more traffic and higher housing costs that result from the inaction of other cities.

Lack of resources for fair housing agencies and organizations

Santa Clara County has a wealth of private fair housing enforcement organizations, many of which are at least partly funded by entitlement cities and the county. Multiple fair housing organizations in the County receive or have received Fair Housing Initiative Program (FHIP) funds from HUD, and also benefit from Community Development Block Grant funds. Participants in the community engagement process have reported that it can be difficult to hire and/or retain staff due to the high cost of living in the area. Across the various fair housing organizations in the County, each has a particular focus, with participants from community engagement reporting that the Law Foundation of Silicon Valley focuses on evictions, Bay Area Legal Aid focuses on subsidized housing, Asian Law Alliance does some fair housing work but focuses mostly on San José administrative hearings, and SALA is only able to take on a small caseload.

As mentioned above, Santa Clara County provides funding to Project Sentinel to provide fair housing services in Morgan Hill (as well as other cities that are not direct HUD grantees and the unincorporated county).

Lack of state or local fair housing laws

City of Morgan Hill

The City of Morgan Hill does not have any local fair housing laws, but residents benefit from the broad range of protections afforded by the State of California, which far surpass those available under federal law.

State of California

⁷⁵ <https://citiesassociation.org/policy/>

⁷⁶ <https://storage.googleapis.com/proudcity/santaclaracountycities/uploads/2019/04/2020-05-14-CASCC-Final-Approved-Housing-Position-Paper.pdf>

Passed in 1959, California's Fair Employment and Housing Act (FEHA) protects many forms of discrimination against tenants and homeowners based on their "race, color religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, or genetic information." This law targets owners of any housing accommodation, banks, mortgage companies, and other financial institutions accused of discrimination.⁷⁷

This law prohibits cities, counties, and all other local government agencies from having zoning or land-use policies that discriminate against people for any of the traits listed above. FEHA also addresses many forms of discrimination, such as denying someone a home loan or homeowner's insurance, sexual harassment for housing rights or privileges, refusing to provide reasonable and necessary modifications for a tenant with a disability, etc.⁷⁸ This law also targets practices that have a discriminatory effect, which result in a disparate impact on a particular group of people or creates or reinforces segregated housing patterns.⁷⁹ The law also include financial assistance practices with discriminatory effects, such as creating terms or conditions of financial assistance that result in discrimination, failing to provide information about access to financial assistance, etc.⁸⁰ This law also applied to discrimination in land use practices.⁸¹

California recently passed a statewide source of income protections. California also has a robust set of statewide antidiscrimination laws, including the Unruh Civil Rights Act, Ralph Civil Rights Act, Bane Civil Rights Act, the Fair Employment and Housing Act, California Civil Code Section 1940.3, and Government Code Sections 11135, 65008, and 65580-65589.8. Whether complaints regarding these laws can be fully and timely pursued, however, is a different matter. Advocates have commented approvingly on recent changes to unlawful detainer laws, which increased the time period from five calendar days to five business days.

Land use and zoning laws

Morgan Hill is illustrative of how the availability of sufficient sites for multifamily development can outweigh zoning regulations as a determining factor of whether such development – including affordable housing occurs. As the City's zoning map below reflects, most of the City's residentially zoned land is zoned for single-family homes. Nonetheless, multifamily zoned areas are sufficient to ensure that there are enough permitted developments in the pipeline for Morgan Hill to meet its RHNA targets at all income levels for the next Housing Element cycle. At the same time, the relative lack of land zoned for multifamily housing in the more heavily White and higher-income eastern portion of the City is a concern, and relatively stringent maximum heights and density limits for multifamily housing could curb multifamily housing development and affordable housing development in the future if developers' cost constraints change.⁸² Thus, the City should seek ways to create opportunities for affordable housing development in the eastern portions of the city and may need to consider changes to multifamily development standards at some point in the

⁷⁷ Fair Employment and Housing Act (FEHA), 12955–12957 GOV (1959), https://leginfo.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=3.&title=2.&part=2.8.&chapter=6.&article=2 (last visited Jun 22, 2021).

⁷⁸ Housing | DFEH, <https://www.dfeh.ca.gov/housing/> (last visited Jun 22, 2021).

⁷⁹ PRACTICES WITH A DISCRIMINATORY EFFECT, 12060 2 CCR, [https://govt.westlaw.com/calregs/Document/I6B716F755D0E4E5683D6FABF3ADF9751?viewType=FullText&originationContext=documenttoc&transitionType=CategoryPageItem&contextData=\(sc.Default\)](https://govt.westlaw.com/calregs/Document/I6B716F755D0E4E5683D6FABF3ADF9751?viewType=FullText&originationContext=documenttoc&transitionType=CategoryPageItem&contextData=(sc.Default)) (last visited Jun 22, 2021).

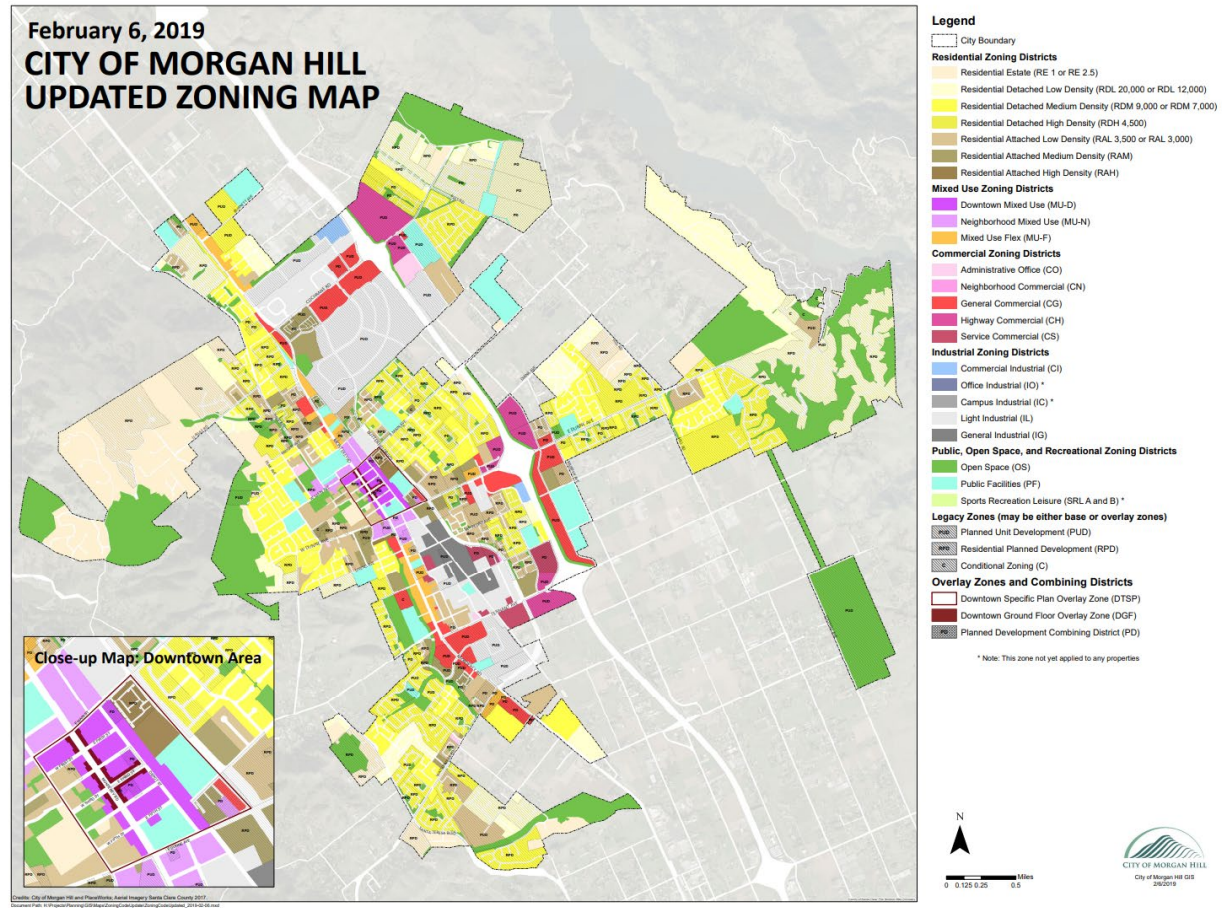
⁸⁰ Ibid.

⁸¹ Ibid.

⁸²

https://library.municode.com/ca/morgan_hill/codes/code_of_ordinances?nodeId=TIT18ZO_DIVIZOCO_C18.18REATZODI_18.18.030DEST

future. Regionally, exclusionary zoning is a much more significant issue as many high resource cities accommodate far less multifamily development than Morgan Hill has.



Lending Discrimination

The data below show that White and Asian applicants are far more likely to be successful in getting a loan approved, and less likely to be given a subprime loan, than Black or Hispanic/Latino applicants across each category of loan in Santa Clara County. This Assessment did not reveal information suggesting different trends in lending patterns in Morgan Hill than those evident countywide. The differential rates vary across categories and across racial/ethnic groups, but for the most part, the difference between the highest and lowest percentage in each category fits into the commonly accepted 4/5ths disparate impact test, and should therefore be considered a practically significant disparate impact across the racial/ethnic groups.

Percentage of Loan Applications Resulting in Originated Loans by Race or Ethnicity and Loan Purpose in Santa Clara County, 2014-2017 Home Mortgage Disclosure Act Data

Race or Ethnicity	Home Purchase	Refinancing	Home Improvement

White, Not Hispanic	70.34%	62.50%	66.63%
Black, Not Hispanic	61.65%	49.98%	55.43%
Asian, Not Hispanic	70.27%	64.88%	62.11%
Hispanic/Latino	57.84%	50.51%	52.68%

Across home purchase, refinancing, and home improvement, White and Asian loan rates tend to cluster on the high end of the spectrum, with Black and Hispanic loan rates clustered at the bottom. The largest gap between the highest and lowest rates in a category is about 14 percentage points. Using the 4/5ths test, the difference between Asian and Black refinancing loans, for instance, clearly falls below the 4/5ths ratio, as does the differential between Hispanic and White home improvement loans. The gap between White and Hispanic home purchase loans falls barely within the 4/5ths ratio.

Percentage of Loan Applications Denied by Race or Ethnicity and Loan Purpose in Santa Clara County 2014-2017 Home Mortgage Disclosure Act Data

Race or Ethnicity	Home Purchase	Refinancing	Home Improvement
White, Not Hispanic	7.70%	14.26%	14.63%
Black, Not Hispanic	12.30%	21.61%	26.09%
Asian, Not Hispanic	9.33%	12.96%	18.05%
Hispanic/Latino	14.04%	21.11%	26.23%

When it comes to denials of loan applications, Hispanics have the highest rate of denial in both home purchase and home improvement, while Black applicants have the highest rate of denial for refinancing. However, the Black and Hispanic rates for these three categories are very similar, differ by about two percentage points at most. Meanwhile, White and Asian applicants outpace Black and Hispanic applicants in every category. The differential rates are more concerning for denials than for approvals, with Hispanics being denied for home purchase loans at twice the rate of White applicants. While not as extreme, the differentials in refinancing and home improvement also fall below the 4/5ths ratio.

Percentage of Originated Loans That Were High-Cost by Race or Ethnicity in Santa Clara County, 2014-2017 Home Mortgage Disclosure Act Data

Race or Ethnicity	Number of Loans Originated	Percentage High-Cost
-------------------	----------------------------	----------------------

White, Not Hispanic	62,431	1.80%
Black, Not Hispanic	1,689	3.37%
Asian, Not Hispanic	73,926	1.23%
Hispanic/Latino	14,275	4.79%

The statistics for subprime loans may not seem like cause for concern, since each percentage is so low. However, the low percentages are due to the extremely costly market in Santa Clara County. The differences between racial/ethnic groups is striking, even at these levels. The Hispanic/Latino subprime rate, 4.79%, is nearly four times the rate of Asian subprime loans, 1.23. These discrepancies also related to the wealth gap and economic and employment disparities which also have racial underpinnings.

Location of accessible housing

Although it is not possible to precisely map the location of accessible housing in the city, it tends to exist where there are concentrations of new, multifamily housing and where there are concentrations of publicly supported housing. The American Community Survey does not facilitate the disaggregation of housing units by the number of units in a structure and the year a structure is built together, but it does allow a look at those two data points separately. It is likely that the downtown area and the Monterey Road corridor, which has seen the most significant growth in recent multifamily development, has an outsized share of Morgan Hill's accessible housing.

Location of employers

Although Morgan Hill is home to some employers, it lacks the major employment centers of San Jose and northern Santa Clara County, which are home to major technology companies as well as higher education institutions and more government offices. The location of employers thus results in many Morgan Hill residents having long and costly commutes. According to the 2015-2019 American Community Survey, 22.7% of Morgan Hill workers have commutes of 60 minutes or longer as opposed to just 10.6% of Santa Clara County workers. The costs of these long commutes are more difficult for lower wage workers, who are disproportionately Hispanic, to bear than they are for others.

Location of environmental health hazards

The geographic relationship of environmental health hazards to housing is an important component of fair housing choice. When environmental health hazards are concentrated in particular areas, neighborhood health and safety may be compromised, and patterns of segregation entrenched.

Relevant factors to consider include the type and number of hazards, the degree of concentration or dispersion, and health effects such as asthma, cancer clusters, obesity, etc. Additionally, industrial siting policies and incentives for the location of housing may be relevant to this factor.

There are no Superfund sites in Morgan Hill in contrast to areas further to the north and west in Silicon Valley that have several.⁸³ In light of Morgan Hill's lack of heavy industrial facilities, vehicle

⁸³ <https://www.epa.gov/superfund/search-superfund-sites-where-you-live>

emissions are the main source of potential environmental harm, thereby reinforcing the importance of transit improvements in South County.

Location of proficient schools and school assignment policies

Morgan Hill only has one school district, the Morgan Hill Unified School District.⁸⁴ The district serves neighboring portions of South San Jose and unincorporated San Martin, which reduces concerns that the proliferation of school districts contributes to segregated school attendance patterns in the area, an issue that is of greater concern in northern Santa Clara County. There do, however, appear to be disparities in school proficiency between schools within the district, and schools in the more heavily White eastern portions of the city may afford students better educational outcomes than those in more diverse downtown Morgan Hill.⁸⁵ Creating more flexibility for students from downtown Morgan Hill to attend schools in eastern Morgan Hill as well as investing in affordable housing in eastern Morgan Hill are potentially mutually reinforcing strategies for overcoming these trends.

Location and type of affordable housing

Virtually all affordable housing in Morgan Hill is located in and around downtown Morgan Hill, and LIHTC units account for the largest share of affordable units. The lack of affordable housing in eastern Morgan Hill may reduce protected class members' access to opportunities present in those parts of the city. LIHTC units, in contrast to Project-Based Section 8 units, generally are not affordable to extremely low-income households without Housing Choice Vouchers. Because it likely is not feasible to build new Project-Based Section 8 or Public Housing, attaching Project-Based Vouchers to new and existing LIHTC units is the most likely way to increase the lowest income residents' access to affordable housing in the city. Housing that is affordable to extremely low-income households is essential to meeting the needs of persons with disabilities, particularly those who rely on SSI as their primary source of income.

Loss of affordable housing

Loss of affordable housing is a significant problem in Morgan Hill though the City's Inclusionary Housing Ordinance goes some length towards warding off the issue through robust affordability terms. According to data from the National Housing Preservation Database, subsidies recently expired for San Pedro Gardens and The Willows.⁸⁶ It is possible that the database has not been updated to reflect recapitalization of these properties, but, if it is not, support to their tenants who would now be at risk may be necessary. The issue of expiring subsidies is of significant concern throughout Santa Clara County and the broader region.

Occupancy codes and restrictions

The State of California has not adopted the Universal Building Code. Instead, they have enacted the California Building Code, which also incorporates the International Building Code. The California Building Code has a rather broad definition of family, in that it does not only limit a family to "an individual or two or more persons who are related by blood or marriage," but expands the definition to any persons who "otherwise live together in a dwelling unit."⁸⁷ This definition is not restrictive in a way that would negatively affect access to housing.

⁸⁴ <https://www.mhusd.org/about>

⁸⁵ <https://www.greatschools.org/california/morgan-hill/morgan-hill-unified-school-district/schools/?gradeLevels%5B%5D=e>

⁸⁶ <https://nhpd.preservationdatabase.org/Data>

⁸⁷ CAL., BUILDING CODE § 202.

Santa Clara County also defines family broadly, as “one or more persons . . . living as a single . . . household,” explicitly excluding only those “operating a hotel, club, fraternity or sorority house.”⁸⁸ Moreover, the code explicitly deems “necessary domestic help” as included within the definition of family.⁸⁹ Morgan Hill retains the expansive, non-restrictive view adopted by both California and Santa Clara County.⁹⁰ Accordingly, occupancy codes and restrictions are not a major factor in reducing access to fair housing in Morgan Hill.

Private Discrimination

According to the California Department of Fair Employment and Housing (DFEH) Annual Report, there were 597 complaints in Santa Clara County in 2019.⁹¹ Broken down by category, there were 206 employment complaints, 28 housing complaints, 4 under the Ralph Civil Rights Act, and 14 under the Unruh Civil Rights Act. 340 of the complaints were investigated and determined actionable. This data was not broken down by city to specifically reflect levels of complaint activity in Morgan Hill.

Quality of affordable housing information programs

There does not appear to be any general-eligibility mobility counseling programs for Housing Choice Voucher holders in Morgan Hill; however, the City has done well by having a single website portal for information about and applying to BMR housing within Morgan Hill.⁹²

It is also important to note that residents of Morgan Hill have access to the same affordable housing information programs as Santa Clara County. While Santa Clara County also lacks general-eligibility mobility counseling programs, it does offer some discrete programs for particular populations within the county, such as the Welfare to Work information program for Welfare to Work clients and the Silicon Valley Independent Living Center counseling program for developmentally disabled adults.

Regulatory barriers to providing housing and supportive services for persons with disabilities

This Assessment did not reveal regulatory barriers to providing housing and services for persons with disabilities in Morgan Hill and the broader region beyond those addressed above with respect to land use and zoning laws. Even those land use and zoning laws primarily impede the provision of housing for persons with disabilities by reducing opportunities to develop multifamily housing rather than by singling out housing types dedicated to persons with disabilities for adverse treatment.

Siting selection policies, practices and decisions for publicly supported housing, including discretionary aspects of Qualified Allocation Plans and other programs

The term “siting selection” refers here to the placement of new publicly supported housing developments. Placement of new housing refers to new construction or acquisition with rehabilitation of previously unsubsidized housing. State and local policies, practices, and decisions can significantly affect the location of new publicly supported housing. Local policies, practices, and decisions that may influence where developments are sited include, but are not

⁸⁸ SANTA CLARA COUNTY, CAL., CODE § 1.30.030.

⁸⁹ *Id.*

⁹⁰

https://library.municode.com/ca/morgan_hill/codes/code_of_ordinances?nodeId=TIT18ZO_DIVIZOCO_C_H18.128GETE_18.128.020DE

⁹¹ https://www.dfeh.ca.gov/wp-content/uploads/sites/32/2020/10/DFEH_2019AnnualReport.pdf

⁹² <https://www.housekeys1.com/>

limited to, local funding approval processes, zoning and land use laws, local approval of LIHTC applications, and donations of land and other municipal contributions. For example, for LIHTC developments, the priorities and requirements set out in the governing Qualified Allocation Plan (QAP) influence where developments are located through significant provisions in QAPs such as local veto or support requirements and criteria and points awarded for project location.

The main policy-driven factor related to the siting of publicly supported housing is the heavy focus of affordable housing development efforts throughout the state on transit-oriented development. Overall, there is very high access to transportation throughout Santa Clara County. When real affordability is built into transit-oriented development, these investments may have a positive effect on stable integration in areas undergoing gentrification by arresting the process of displacement.

The California Tax Credit Allocation Committee's (CTCAC) QAP heavily incentivizes family-occupancy LIHTC development in what it terms "High Resource" or "Highest Resource" areas. None of Morgan Hill falls within High Resource areas. This is the case despite high income levels and access to proficient schools in eastern Morgan Hill. LIHTC development in these areas would contribute to greater residential racial integration. In light of the significant incentives for LIHTC development in High Resource and Highest Resource areas, CTCAC's current identification of high resource areas undermines efforts to foster integration in Morgan Hill and presents a missed opportunity. The QAP includes set-aside pools for the South and West Bay Region (San Mateo and Santa Clara Counties) of 6%, which is roughly equal to its share in the population of the state.

Source of income discrimination

In 2019, the California Legislature passed S.B. 329, a bill that prohibited discrimination against Housing Choice Voucher holders.⁹³ It is likely that source of income discrimination still occurs on a frequent basis despite these protections, thus reinforcing the importance of investments in fair housing enforcement. Although Morgan Hill does not have its own local source of income protections, some of its neighbors do as well as Santa Clara County with respect to the unincorporated areas.

State or local laws, policies, or practices that discourage individuals with disabilities from being placed in or living in apartments, family homes, and other integrated settings

State or local laws, policies, or practices that discourage individuals with disabilities from living in apartments, family homes, supportive housing, and other integrated settings are not a significant contributing factor to fair housing issues in Morgan Hill or Santa Clara County. A severe shortage of available, integrated affordable housing is the primary driver of the segregation of persons with disabilities, rather than laws, policies, or practices that discourage persons with disabilities from living in integrated housing.

Unresolved violations of fair housing or civil rights law

This Assessment did not reveal any unresolved violations of fair housing or civil rights law in Morgan Hill.

⁹³ https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201920200SB329

Appendix H6

Evaluation of Past Performance

City of Morgan Hill Housing Element 2023-2031

DRAFT

Table of Contents

City of Morgan Hill Housing Element

APPENDIX H-6 Evaluation of Past Performance	H-6-i
6.1 Introduction.....	H-6-1
6.2 Accomplishments of the Current Housing Element.....	H-6-1
6.3 Housing Element Program Review.....	H-6-5

Figures

Figure H 6-1: Services Funded During 5 th Housing Element Cycle.....	H-6-8
---	-------

Tables

Table H 6-1: Quantified Objectives (2015-2022) Compared to Actual Accomplishments	H-6-3
---	-------

DRAFT

APPENDIX H-6 | Evaluation of Past Performance

6.1 Introduction

California law (Government Code Sections 65588(a)) requires Housing Elements to assess the achievements under the adopted housing programs as part of the eight-year update. These results should be quantified where possible (e.g., the number of units rehabilitated), but may be qualitative where necessary (e.g., mitigation of governmental constraints). The results should then be compared with what was projected or planned in the earlier element. Where significant shortfalls exist between what was planned and what was achieved, the reasons for such differences must be discussed.

6.2 Accomplishments of the Current Housing Element

Morgan Hill has developed programs and implemented initiatives to incentivize housing production; assisted citizens in paying their rent and purchasing homes; facilitated development of supportive and transitional housing; and assisted people experiencing homelessness. This section highlights some of the key accomplishments during the 5th Housing Element cycle. This Housing Element builds upon the success of the previous Housing Element and speaks to the evolutionary response of the City's Housing efforts.

The City of Morgan Hill continues to be resourceful in the face of the challenging effects of the 2012 elimination of the Redevelopment Agency, and the resulting loss of \$4 million in annual funding to support the rehabilitation and development of affordable housing in Morgan Hill. Historically the City has built a model Program with one in every eight units being affordable and income restricted. In the absence of redevelopment, the City continues to seek out new strategies to support housing production, affordability and services.

The historical backdrop to Morgan Hill's unique housing story began in 1977, when the voters adopted the Residential Development Control System (RDCS), a smart growth residential pacing policy. This was done in response to the community's concern for the amount and pace of residential growth and its impacts on city services and infrastructure. For 40 years, RDCS worked as a "de facto" Inclusionary Housing Ordinance, incentivizing the creation of high-quality, affordable housing throughout the city. RDCS continued through a city-initiated ballot, Measure S, which was approved in November of 2016 and effective March 2017. The RDCS program provided an opportunity for park lands and open space, safe routes to schools, proximity to the downtown businesses and services, and affordable housing. Through RDCS, Morgan Hill has been able to obtain a significant amount of affordable housing.

In 2018 RDCS was suspended with the enactment of Senate Bill 330 ("SB 330") which went into law, effective as of January 1, 2020. SB 330 enacted Government Code Section 66300, the "Housing Crisis Act of 2019" as a direct result of the legislature being forced to act due to the housing supply not keeping up with population and job growth. Ultimately, the result is a statewide affordability crisis that has grown significantly due to undersupply and increases in housing prices. The Housing Crisis Act preempts and precludes the enforcement of RDCS while the State of California's Housing Crisis Act is in effect. SB330 originally set a temporary 5-year prohibition of residential density reduction associated with a "housing development project," from January 1, 2020, to January 1, 2025. SB 8 extended the temporary prohibition for an additional 5-year period, concluding on January 1, 2030. In preparation for the suspension of RDCS, the City of Morgan

Hill adopted an Inclusionary Housing Ordinance (IHO) in August of 2018 to replace the RDSCS mechanism that allowed for the creation of Below Market Rate (BMR) units. An IHO is one tool that is used to obtain affordable units in the City, and to ensure that, to the extent possible, affordability is disbursed throughout the entire development. Thus, the IHO has carried on the good policy of requiring all new housing neighborhoods to produce 15% affordable units if the project is located outside of downtown, and 10% if it is located within downtown.

Morgan Hill's primary housing mission is to continue the City's legacy to improve, preserve, and create safe quality housing in Morgan Hill for residents at all income levels, in the form of both rental and ownership opportunities. As a result of the elimination of redevelopment agencies statewide, the City's Housing Program accepted secondary responsibility to serve as the successor to the former Morgan Hill Redevelopment Agency's housing functions and administer its legacy housing assets.

With the elimination of the agency, the City restructured its housing programs to reflect the services that can be provided based on the limited staff resources and funding. The housing functions provide coordination of new unit private development production, implementation of the Housing Element, achievement of the Regional Housing Needs Allocation efforts (RHNA), and provision of various local housing related services and programs. For a full review of the previous Housing Element, see Attachment A.

Overall, a significant number of housing units have been built, particularly for people experiencing homelessness. The city has been able to continue to support affordable development by systematically partnering with local housing stakeholders, such as the County of Santa Clara and through its participation in Measure A. Measure A, a \$950 million Affordable Housing Bond, was passed by the Santa Clara County voters in November of 2016. This bond has spurred affordable housing developments countywide, including 4,800 new units dedicated to extremely low-income households and individuals, families exiting homelessness, and other underserved populations. A Morgan Hill development named "The Crossings" was amongst one of the first Measure A projects approved for funding.

The Crossings is a three-story affordable housing development located at 16800 Monterey Rd, Morgan Hill, CA 95037, occupied in 2020 and consisting of 39 affordable housing units, developed by Urban Housing Communities. There are 20 apartments reserved for chronically homeless and homeless individuals and families. The Crossings received \$5.8 million in Measure A funding and \$750,000 in 2018 from the City of Morgan Hill.

The "Royal Oak Village" is the City's second Measure A affordable rental development. This project by Urban Housing Communities is under construction and has a September of 2023 expected occupancy date. There are 73 units of which 18 are permanent supportive housing, 30 are farmworker units, and 24 are permanent supportive housing (PSH) units. The project is located at the Royal Oaks Mushroom Farm along Watsonville Road, south of Monterey Road. The project received \$400,000 in 2021 from the City of Morgan Hill Housing Program,

\$8,363,000 million from the Countywide Measure A Bond and \$1,528,000 in 2022 from the Urban County CDBG Program.

The City of Morgan Hill assisted in the development of the Morgan Hill Family – Scattered Site affordable rental development by EAH. This is a 41-unit apartment community on three (3) separate properties that are noncontiguous but within $\frac{3}{4}$ of a mile of one another. The property provides permanent housing for low-income families at or below 60% of the Area Median Income (AMI) and includes six (6) units set-aside for Transitional Aged Youth (T.A.Y. units). The City of Morgan Hill Housing Program provided funding in the amount of \$4,5000,000.00 with City Housing funds. The project includes: Tobiano at Orchard Ranch" (40 E. Dunne Avenue), Tovero

at Orchard Ranch (16873 Monterey Rd), Palomino at Orchard Ranch (16170-16180 Monterey Road).

The main performance measure by which a city is evaluated by HCD is its annual progress on the Regional Housing Needs Allocation goals (RHNA, the number of new homes that a city is "assigned" in each income category to produce over an eight-year cycle). The city is currently in its fifth RHNA Housing Element cycle for the Planning Period: January 31, 2015 – January 31, 2023. For the current RHNA cycle (2015-2023), Morgan Hill has exceeded its total RHNA goal of 928 by producing 2,203 homes since 2014, thus satisfying the overall RHNA Housing goal by 237%. However, the City's quantified objectives outlined in the 5th Housing Element cycle was based on anticipated RDCS allocations, instead of the RHNA goal, from Fiscal Year 2013/2014 through Fiscal Year 2022/2023. Based on the quantified objectives of the 5th Housing Element cycle, the City accomplished its objectives for low- and moderate-income units as of May 2022 and has a remaining objective of 44 extremely low-income units, 26 very low-income units, and 997 above moderate-income units. It is surmised that the quantified objectives were not met due to the passage of SB 330 which suspended RDCS on January 1, 2020.

Table 6-1 Quantified Objectives (2015-2023) Compared to Actual Accomplishments						
	<i>Extremely Low Income</i>	<i>Very Low Income</i>	<i>Low Income</i>	<i>Moderate Income</i>	<i>Above Moderate Income</i>	<i>TOTAL</i>
	<i>Comp/Obj</i>	<i>Comp/Obj</i>	<i>Comp/Obj</i>	<i>Comp/Obj</i>	<i>Comp/Obj</i>	<i>Comp/Obj</i>
New Construction	31 / 75	49 / 75	192 / 70	418 / 170	1,513 / 2,510	2,203 / 2,900
Rehabilitation ¹	32 / 16	182 / 80	40 / N/A	7 / N/A	-	254 / 96
Conservation/ Preservation	-	-	-	-	-	-

Note: comp = completed; obj = objective.

Source: City of Morgan Hill, 2022

Some of the particularly noteworthy accomplishments of the current Housing Element include the following:

1. Met the Low-, Moderate-, and Above-Moderate Housing RHNA goals. Provided for the orderly creation of new housing, with 2,203 new housing units created since 2015. Approximately 31 percent of the units built have been affordable to very low-, low-, and moderate-income residents. The affordable units that have been built during the most recent cycle are largely attributable to the City's work establishing affordable and special needs housing as a high priority. The City is on track to meet its last remaining goal of 193 very low-income units pending permit issuance.
2. The City Council adopted Residential Development Design and Development Standards ("Standards") to replace the RDCS Competition Manual. The Standards have been developed to meet the requirements of "Objective Standard" and are consistent with the Morgan Hill 2035 General Plan. The purpose of the Residential Development Design and Development Standards is to articulate project design requirements for all residential and mixed-use developments. These Standards will be utilized to detail the review process by clearly stating the City of Morgan Hill's objectives for high quality, residential projects that are aesthetically pleasing, livable, sustainable, well-connected to neighborhood services. These Standards implement requirements of SB 330 "Housing Crisis Act of 2019" and shall remain in effect until SB 330 is rescinded or extended.

3. The City continues to place a high priority on providing quality housing opportunities for an economically and socially diverse community. This priority is reflected as a strategy in the Housing Element. In December 2020, the City Council endorsed the five-year Santa Clara County 2020 Community Plan to End Homelessness (2020-2025), developed collaboratively by representatives of community-based service organizations, local government, philanthropy, business, healthcare, and people with lived experience. Morgan Hill applied for and received a \$450,000 capacity building grant from Destination Home for a period of 3 years (\$150,000 per year) to fund an Unhoused Specialist position that began in 2021. This teammate goes out into the community to engage and offer support and basic needs to our homeless residents, conducts a needs assessment/survey, a critical first step in ensuring they have an opportunity to access permanent housing when it becomes available. All countywide shelter beds are now coordinated through the Bill Wilson Center Hotline 408-385-2400. This teammate is working alongside the Psychiatric Emergency Response Team (PERT), a Mental Health Collaboration with the County Behavioral Health Department. The PERT Team consist of a clinician to conduct mental health evaluations and assessments for persons with serious mental illnesses including clients who are frequent users of emergency psychiatrist services.
4. In 2017, Destination: Home and the County of Santa Clara helped launch a countywide Homelessness Prevention System in which Morgan Hill participates- a unique partnership between public agencies, private funders, and non-profit organizations to help at-risk families and individuals maintain their housing and avoid falling into homelessness. In response to the rise in Homelessness in 2017, Morgan Hill has annually contributed \$25,000 to an ongoing Countywide Rapid Rehousing Program. This serves as a Homeless Prevention program providing rental assistance, security deposits, transportation, utilities, and motel stays for families experiencing homelessness. Since its inception in Fiscal Year 2017-2018 and through Fiscal Year 2021-2022, \$425,890.17 has been provided to 95 Morgan Hill families at risk of homelessness. Additionally, through the COVID pandemic \$685,000 was provided by Destination Home to Morgan Hill households financially impacted by the pandemic.
5. In 2017 a Safe Park Program for families experiencing homelessness was created through a public private partnership. The Safe Park offers an eight space, pet friendly overnight respite at a local church for eight homeless families (25 people max) living in their cars. They receive coordinated assessment, services, meals, and support with the goal of providing some stability and a path to permanent housing. Since its inception and ongoing the city contributes \$30,000 annually towards the case management provided by the South County Compassion Center. The total contracted amount during the 5th Housing Element cycle is \$136,265. The city has budgeted \$52,000 for FY 22/23 for Case Management for "Focus" Safe Car Park Program and referral services to the cities Inclement Cold Weather Shelter. Since January 2020 the City of Morgan Hill has also supported an inclement cold weather shelter at Community Christian Church during cold weather season. The city has provided support during the 5th Housing Element cycle, total contracted amount is \$49,336. The city has budgeted \$25,000 for FY 22/23.
6. In 2018, the City of Morgan Hill adopted an Inclusionary Housing Ordinance (IHO) requiring residential developments to provide 15% of the units (and 10% in Downtown) as part of the City's efforts to create and maintain an income-based affordable housing inventory. The IHO is a result of the loss of the City's Residential Development Control System (RDACS) growth management program which has been the mechanism for the City to obtain Below Market Rate (BMR) housing units for many years. In December of 2021, the City Council adopted an amendment to the IHO to create a funding mechanism that will allow the City to advance

projects that meet the City's Regional Housing Needs Allocation (RHNA) goals. Specifically, the City now allows for up to 50% of the affordable housing requirement to be satisfied with an in-lieu fee. This fee would provide the City with a funding mechanism to support projects that produce units that contribute to meeting the City's RHNA requirements. In-lieu fees are already allowed in the IHO. However, this recommended change allows this in-lieu fee to be *by right* provided that a minimum of 50% of the affordable units *will be built on site*. This programmatic change is intended to help the City meet its very low income and extremely low-income goals moving forward.

6.3 Housing Element Program Review

The overview below focuses primarily on the Below Market Rate Housing Program. These BMR units were either previously produced by the City's RDCS program, or the more recent Inclusionary Housing Ordinance Program.

6.3.1 Below Market Rate Program

The *Below Market Rate Housing (BMR) Homeownership and Rental Program* helps qualifying buyers and renters obtain affordably priced homes and apartments. The genesis of this program began in 1977 through the program formally known as RDCS. The homes are typically provided by private market developers based on the affordable requirements of the Inclusionary Housing Ordinance. In the "Post-RDA and post RDCS Era", Morgan Hill has evolved to keep pace with the changing rules to ensure that BMR units continue to be delivered to Morgan Hill residents. The City currently has over 550 first time homeowners in the program and 15 BMR renter households.

Participating homebuyers and renters must be income eligible. Homebuyers must be pre-approved to be able to financially qualify for a fixed-rate, fixed-term mortgage, and must have a minimum 3 percent down payment from their own funds to purchase a home. Eligible applicants are placed in a lottery until the opportunity to purchase or rent a unit becomes available either through new construction or resale of an existing unit. Priority in the lottery is provided for eligible buyers who live or work within the city limits. This program helps low- and moderate-income households purchase and rent homes that are affordable and adequate to their needs. It also prevents affordable homes from being sold to persons with little or no income obstacles, maintaining a larger base of affordable homes in the area. Home sale prices range from \$523,618 for a moderate two-bedroom home to \$634,840 for a moderate income, four-bedroom home. At the time of sale, properties will have a resale affordable restriction recorded on the title in order to preserve the long-term affordability of the unit for an additional 45 years. The BMR monthly rental prices are consistent with the State HCD income guidelines and adjusted for household size, ranging from \$908 for an Extremely Low Income one bedroom unit to \$2,451 for a four-bedroom low-income unit.

In 2015, the City collaborated with HouseKeys, after the sudden demise of Neighborhood Housing Services, for the administration of its Below Market Rate (BMR) Program. This enabled the City to continue to contract with an outside agency to administer the Program on site to serve as a test to identify best practices. Housing efforts were focused on the immediate need to transition the BMR Program and strived to carry out transactions to avoid a service interruption to developers, homeowners and new buyers in the pipeline. This was achieved by rapidly on-boarding the HouseKeys BMR team and working to create a new sustainable BMR business model. The City of Morgan Hill was the first model city acting as an incubator of innovation and collaboration. HouseKeys now operates as an Affordable Housing Program Administrator who works alongside 16 cities and builders to provide affordable housing opportunities to income-eligible households. As a Program Administrator they support the City's BMR program by specializing in Home

Ownership, Rental, and Finance Programs. During the 5th Housing Element cycle Morgan Hill has provided \$2,100,000 for the administration of its BMR program. The city has budgeted \$550,000 for FY 22/23 for BMR Ownership and Rental program administration for the sale of the new construction BMR unit, a resale, and ongoing monitoring, compliance, and asset management. From 2015 to 2021, there was 85 New Construction BMR homeowner units permitted and occupied by income qualified, first-time homebuyer families, an additional 53 BMR homes rehabilitated by HouseKeys and resold to income eligible families, and the administration of 89 subordinations to support homeowners refinance loans. Since 2015, there have been over 65 BMR ownership unit cases involving enforcement action or escalations. Of those 65, 41 involved attorney action, and 6 progressed to formal complaints filed and litigation in court to protect the affordability covenants. Through this process, the City and HouseKeys have learned how to strengthen the program and to implement policies and procedures defensible in court.

6.3.2 Rehabilitation

Through the former Morgan Hill Redevelopment Agency's (RDA) \$4 million in annual funding that was dedicated to support the rehabilitation and development of affordable housing, the City has historically offered a *Housing Rehabilitation Loan Program* to maintain and improve housing conditions. RDA was a significant cornerstone of the city's successful housing program. Since its dissolution in February of 2012, the City has had to reduce, reprioritize and restructure its programs. As a result, programs that were once offered, such as the *Housing Rehabilitation Loan Program* that provided loans to lower income owner-occupants of single-family dwellings and owners of rental housing with income-qualified renters has been effectively eliminated in Fiscal Year 2010/2011 due to the dissolution of the Redevelopment Agency.

However, during this current 5th Housing Element cycle, the City has continued to support rehabilitation efforts to improve Morgan Hill's stock of affordable housing through the following programs. The Urban County Community Development Block Grant Program (CDBG) of which Morgan Hill is a participating jurisdiction, has continued to fund rehabilitation services provided by Rebuilding Together Silicon Valley (RBTSV). Since 2015, CDBG has provided \$1,826,546.05 to RBTSV, a non-profit agency devoted to providing critical home repairs and accessibility modifications for low-income homeowners and seniors at no cost to the recipient. The work provided focuses on improvements such as grab bars and railings, half steps, wheelchair ramps or lifts, raised toilets, minor plumbing or electrical, carpentry, and painting. Repairs are made possible, at no cost to the recipient, by utilizing volunteer labor, generous donations, government grants, and donated or discounted materials. Applicants must own their home, have a household income below 80% area median income, and preference is given to those 50% or below area median income. This program has been funded in part by the CDBG program, and in part by the City of Morgan Hill.

In addition to the Urban County CDBG Program, since 2016, the City of Morgan Hill has also contracted with RBTSV for minor repair services, the total City contracted amount during the 5th Housing Element cycle was \$350,000. Additionally, in years 2017-2021 the City funded a RBTSV Blight busters' program in collaboration with the code compliance team to assist with bringing a low-income home into compliance with health and safety rules. The Blight busters' program had a total contract amount of \$150,000 from 2017-2021 and ended June of 2021. From July 2015 to June 2020, 2,564 home repairs were completed by RBTSV on 258 homes in Morgan Hill (this is the result of both the Urban County CDBG Program funding and the City of Morgan Hill Program funding).

The City of Morgan Hill's housing policy towards its multifamily housing partnerships is to provide stewardship to guaranty investment and re-investment in quality, long term housing stock. This generally results in supporting non-profit partners as they raise rehabilitation dollars for renovation

of aging structures in the City of Morgan Hill. The former Morgan Hill Redevelopment Agency originally provided loans in previous years. Since then, the following developers have sought out and received City approval to refinance and resubordinate existing loans to rehabilitate their properties through the State's Tax Credit and Bond programs.

First Community Housing intends to rehab Murphy Ranch I, a 62-unit affordable apartment community and Murphy Ranch II, a 38-unit affordable apartment community located at 310 E Dunne Ave. Construction is scheduled to start during the second quarter of 2022 and will take 12-15 months to complete. The rehab will include performing critical and immediate repairs in excess of \$2.5 million at Murphy Ranch I and II. The primary scope of work is to complete roof repairs, security camera upgrades, repaint the building exteriors, complete common area and unit interior improvements, resurface parking areas, replace rotted fencing, and upgrade the heating, cooling, and ventilation systems at each building to support energy efficiency.

EDEN Housing began rehabilitation work on Depot Commons in 2021 located at 17145 Depot Street. Depot was 12 affordable units and is being converted to 18 affordable units and 1 managers unit within the existing footprint. The rehab will include site work, interior and exterior upgrades, replacement of interior finishes, roofing, siding, doors, windows, the HVAC system and the additional of solar. The rehabilitation is expected to be completed in 2022.

EDEN Housing began rehabilitation work on the Willows Apartments in year 2021 located at 50 W Edmundson Ave. The Willows consists of 19 affordable units and 1 managers unit. The rehab will include the replacement of roofing, partial siding, doors, windows, the HVAC system and the addition of Solar. The interiors of the buildings will include upgrades to doors, cabinets, electrical & plumbing fixtures, and flooring. The rehabilitation is expected to be completed in 2022. The Willow Apartments and Depot Commons are being rehabbed together and the total development cost of this rehab is \$27.2 million.

In 2021 EDEN Housing completed a \$2.1 million rehabilitation of Sycamore Glen, a 20-unit senior property in Morgan Hill originally constructed in 1989. The property recently completed renovations in 2021, Improvements includes: heating and cooling units for each unit, all new double pane windows throughout, full unit interior renovations, drought-tolerant landscaping and install water efficient irrigation, repairs to failing pedestrian bridges and new stairs throughout, exterior lighting and parking lot upgrades, upgrades to the small community room and ADA upgrades throughout the site.

In February of 2022, EDEN Housing requested, and the City Council of Morgan Hill approved, the waiver of the 2020 surplus cash distribution payment (\$44,777) due to the City to support their property Villa Ciolino's immediate urgent rehabilitation needs. Villa Ciolino is a 42-unit affordable family housing apartment community located at 80 Ciolino Avenue. The more urgent rehab work will begin in 2022, primarily to address the exterior dry rot needs. EDEN has a longer-term goal to continue to apply for and seek out Tax Credit and Bond Funds to do a full re-syndication for the entire property, a much larger scale rehab of the property is scheduled for 2023.

In 2017, EAH completed an \$18,105,464 million extensive rehabilitation of the Cochrane Morgan Hill Apartments located at 18555 Butterfield Blvd (96 Units). The scope of the improvements included but not limited to the replacement of plumbing, an upgrade to the electrical systems, extensive interior, and exterior upgrades, such as appliances, energy efficient systems, replacement of the countertops and cabinets, windows and flooring. Additionally, ADA accessibility features were implemented, restriping of the parking areas, replacements of the irrigation and upgrades to the interior and exterior common area amenities.

In 2019, EAH completed a \$50,910,953 million rehabilitation of Park Place Apartments, located at 16480 Del Monte Ave (112 Units). The scope of the improvements included but not limited to

replacement and upgrades to the plumbing and electrical systems, roof, AC system, appliances, and ADA enhancements. Additionally, an upgrade to the exterior and interior lighting, landscaping and irrigation improvements, repair of the basketball court surface, paving of the playground, and an upgrade to the interior and exterior common area amenities.

6.3.3 Santa Clara County Housing Programs

The Housing Authority of Santa Clara County administers the Section 8 Housing Assistance Payments Program (Section 8). This program links landlords with tenants eligible for rental assistance. Section 8 guarantees landlords fair market rent while providing subsidies for tenants in rental properties. Section 8 tenants are those elderly, handicapped, or very low- or extremely low-income families needing help to secure decent housing. Morgan Hill is participating in this program. Currently, 344 Morgan Hill households use Section 8 housing choice vouchers. There are 632 households on the waiting list for vouchers from Morgan Hill. The Housing Choice Voucher interest list (accessed through the Applicant Portal) is a permanently open list. When vouchers are available, active applicants are randomly selected to be offered a voucher (if eligible).

Community Development Block Grants (CDBG)

Morgan Hill participates in the Santa Clara County CDBG Urban County Program that provides funding on behalf of the smaller urban county non entitlement cities to nonprofit agencies and participating cities to enable them to offer housing and housing-related services to eligible lower income persons including seniors, persons with disabilities, the homeless, and victims of gender-based violence.

Since 2015, the CDBG program has provided \$4,539,941.38 in funding for developers and service providers that have served Morgan Hill for the acquisition, construction, or rehabilitation of affordable housing, public facilities, and services for lower income persons. Local funding priorities are based on the collective community needs and goals documented in the County's Consolidated Plan. A summary of services funded during the 5th Housing Element cycle is listed below.

Figure H 6-1: Services Funded During 5th Housing Element Cycle

CDBG										
Name of Agency/Project	Areas Served	Office Location	2015	2016	2017	2018	2019	2020	2021	Total
Project Sentinel - Tenant Land	Morgan Hill	1490 El Camino Real, Santa Clara, CA 95050	\$30,000.00	\$30,260.00	\$30,450.00	\$34,188.99	\$33,411.00	\$36,490.00	\$37,000.00	\$231,799.99
Catholic Charities	Morgan Hill	2625 Zanker Road, Suite 200, San Jose, CA 95134	\$10,448.21	\$11,805.00	\$11,046.61	\$11,965.11	\$11,879.25	\$9,759.27	\$12,290.00	\$78,993.45
Boys & Girls Club	Morgan Hill	518 Valley Way, Milpitas, CA 95035	\$11,467.32	\$13,110.00	\$11,165.00	\$12,159.00	\$11,880.00	\$12,063.05	\$12,290.00	\$84,134.37
Community Solutions	Morgan Hill	9015 Murray Ave., #100, Gilroy, CA 95020	\$21,469.00	\$22,195.00	\$21,314.98	\$21,314.98	\$21,839.43	\$22,210.46	\$23,683.00	\$154,026.85
San Jose Family Shelter	Morgan Hill	692 N. King Road, San Jose, CA 95133	\$11,469.00	\$11,805.00	\$11,165.00	\$12,159.00	\$11,880.00	\$12,118.00	\$12,290.00	\$82,686.00
Live Oak	Morgan Hill	1147 Minnesota Avenue, San Jose, CA 95125	\$10,000.00	\$20,000.00	\$20,300.00	\$20,300.00	\$21,061.57	\$22,000.00	\$22,310.00	\$135,971.57
Next Door	Morgan Hill	234 East Gish Road, Suite 200, San Jose, CA 95112	\$11,469.00	\$13,110.00	\$13,110.00	\$12,159.00	\$11,832.82	\$12,118.00	\$12,290.00	\$86,088.82
SALA	Morgan Hill	1425 Kell Circle, Suite 109, San Jose, CA 95112	\$10,000.00	\$40,000.00	\$30,450.00	\$34,189.00	\$33,411.00	\$36,490.00	\$37,000.00	\$221,540.00
SVLC	Morgan Hill	25 N. 14th Street, Ste. 1000, San Jose, CA 95112	\$11,469.00	\$13,110.00	\$13,110.00	\$12,159.00	\$11,880.00	\$12,117.60	\$12,290.00	\$86,135.60
West Valley	Morgan Hill	10104 Vista Drive, Cupertino, CA 95014	\$10,000.00	\$11,469.00	\$11,165.00	\$12,159.00	\$39,835.55	\$12,118.00	\$12,290.00	\$109,036.55
YWCA	Morgan Hill	375 S. Third Street, San Jose, CA 95112	\$10,221.70	\$12,333.76	\$11,165.00	\$11,165.00	\$11,713.08	\$11,889.41	\$12,290.00	\$80,777.95
LifeMoves	Morgan Hill	33 Encina Ave, Palo Alto, CA 94301	\$9,615.95	\$5,167.82	\$10,284.00	\$11,214.00	\$10,958.80	\$11,179.00	\$11,239.00	\$69,758.57
Project Sentinel Fair Housing -	Morgan Hill	1490 El Camino Real, Santa Clara, CA 95050	\$30,974.00	\$31,277.00	\$29,720.28	\$34,886.88	\$28,058.60	\$30,657.00	\$31,089.00	\$216,662.76
Rebuilding Together	Morgan Hill	1701 S. 7th Street, Ste. #10, San Jose, CA 95112	\$50,194.00	\$50,194.00	\$49,902.21	\$50,194.00	\$56,747.00	\$56,747.00	\$56,747.00	\$370,725.21
Galvan Park Playground Morga	Morgan Hill	N/A	\$209,593.80	\$259,825.27	\$257,127.00	\$200,000.00	\$299,999.99	\$299,999.99	\$300,000.00	\$1,826,548.05
Galvan Park Refurbishment an	Morgan Hill	N/A	\$66,384.00							\$66,384.00
Galvan Park Refurbishment an	Morgan Hill	N/A	\$72,136.25							\$72,136.25
Britton Middle School	Morgan Hill	N/A	\$216,417.39							\$216,417.39
Total								\$350,120.00		\$4,539,941.38

HOME										
Name of Agency/Project	Areas Served	Office Location	2015	2016	2017	2018	2019	2020	2021	Total
Eden Redwoods & Wheeler	Gilroy	N/A			\$733,706.00					\$733,706.00
EAH Morgan Hill Family Apartm	Morgan Hill	N/A	\$756,269.00							\$756,269.00
Total										\$1,489,975.00

HOME Program (Home Investment Partnership Act)

The federal HOME Program is administered by the County of Santa Clara Office of Supportive Housing and provides loans and grants to nonprofit organizations to assist with financing to develop permanently affordable housing through acquisition, construction, or rehabilitation. In 2015, EAH Morgan Hill Family Apartments received \$756,269 in HOME funds for the construction of Morgan Hill Family – a scattered site development that consists of a 41-unit apartment project built on three (3) separate properties that are noncontiguous but within $\frac{3}{4}$ of a mile of one another,

Tobiano at Orchard Ranch” (40 E. Dunne Avenue), Tovero at Orchard Ranch (16873 Monterey Rd), and Palomino at Orchard Ranch (16170-16180 Monterey Road). The property provides permanent housing for very low-income families at or below 60% AMI and includes six (6) units for Transitional Aged Youth (T.A.Y. units). The HOME funds were used for the construction and permanent financing of the residential portion of the project. The City of Morgan Hill funded this project \$4,5000,000.00 with City Housing Program funds.

Shelter Plus Care

Shelter Plus Care (S+C) was originally the name of a Program that was administered by the Housing Authority. It provided a five-year rent subsidy to homeless/disabled individuals and their families to assist them in securing permanent affordable rental housing. Applicants had to be currently homeless and diagnosed with one of the following disabilities: mental illness, HIV/AIDS, or a drug and/or alcohol dependency. In addition to rent subsidy, the program also arranged for various treatment services and case management. S+C clients were required to pay 30 percent of their monthly income towards rent and S+C paid the balance. The Housing Authority transferred S+C program in 2016 to the County of Santa Clara Office of Supportive Housing for the purpose of integrating the program and the referring body into one coordinated entry effort. The program as described still exists through the coordinated countywide entry system. The name “S+C” was the referral process for a HUD funded grant that allowed shelter providers to refer their residents and was eliminated when coordinated entry was created. Coordinated entry was part of a larger effort to streamline access to homeless and housing services countywide. All Continuum of Care (CoC) funded programs now use the coordinated entry system as the referral mechanism. Participants do not apply; they are given an assessment by their homeless service provider that places them on a community queue and prioritizes them by vulnerability and acuity. The community queue is used to refer individuals starting with the highest scoring individual on the queue. The CoC funding includes the subsidies and services that were originally provided by the program called S+C. There are three CoC grants that provide subsidy assistance only. Additional information can be found on the Grant Inventory Worksheet (GIW) at HUD: <https://www.hud.gov/sites/dfiles/CPD/documents/CoC/2021/GIW/FY%202021%20CA-500%20GIW.xlsx>. Currently there are 1,422 units in the 35 Permanent Supportive Housing (PSH) Programs in Santa Clara County that have a subsidy and service that is CoC funded. As of February 28, 2022, during the 5th Housing Element cycle there are 71 households housed in Morgan Hill and affiliated with the CoC funded PSH programs.

Attachment 6-A

Evaluation of Past Performance: Program Evaluation

City of Morgan Hill Housing Element 2023-2031

DRAFT

Table H 6-2 Evaluation of 2015-2022 City of Morgan Hill Housing Element Programs

<i>Program</i>	<i>Status</i>	<i>Evaluation</i>	<i>Recommendation</i>
1a-1 Evaluate Land Availability Annually. Evaluate annually the amount of land available for development and the projected eight-year need, and adjust the General Plan and zoning as necessary to accommodate the City's regional housing allocation.	Ongoing	The City's Housing Division and Planning Division annually reviews the amount of land available for development during the Annual Progress Report (APR) to HCD and OPR to ensure enough land is available to accommodate the outstanding RHNA.	Retain program
1c-1 Annual RDCS Objectives. Establish annual objectives under the RDCS allocation process for affordable housing based on past production and future needs.	Discontinued	SB 330 suspended the RDCS program effective January 1, 2020, as the Housing Crisis Act preempts and precludes the enforcement of RDCS while the State of California's Housing Crisis Act is in effect.	Delete program
1c-2 Annually Evaluate RDCS Allocations. Annually evaluate the outcome of the allocation process to determine if further adjustments to the system are advisable to ensure that the annual allocations are maximized for both market rate and affordable housing. Points to consider include the RDCS's impacts on cost, supply and affordability of housing, as well as the timing of the process. Ensure that there are sufficient allocations to meet the Regional Housing Need Allocation (RHNA). Include results in the annual progress report submitted to HCD.	Discontinued	SB 330 suspended the RDCS program effective January 1, 2020, as the Housing Crisis Act preempts and precludes the enforcement of RDCS while the State of California's Housing Crisis Act is in effect.	Delete program

Table H 6-2 Evaluation of 2015-2022 City of Morgan Hill Housing Element Programs

<i>Program</i>	<i>Status</i>	<i>Evaluation</i>	<i>Recommendation</i>
1h-1 RDSCS Refinement. Continue to develop and implement varied RDSCS standards for different types of developments. For example, consider if senior or multi-family developments should have different scoring criteria than single-family developments.	Discontinued	SB 330 suspended the RDSCS program effective January 1, 2020, as the Housing Crisis Act preempts and precludes the enforcement of RDSCS while the State of California's Housing Crisis Act is in effect.	Delete program
1h-2 Review Height Limits. Review the Zoning Ordinance to ensure that height limits allow for a desirable design at the intended density.	Complete	Height limits were reviewed and revised during the Zoning Code Ordinance update in 2018 as part of the 2035 General Plan Update; however, further review of height limits may be warranted within the Zoning Ordinance and the Objective Standards to allow for the intended density allowed in the General Plan.	Retain and modify program
1h-3 Review Design Standards. Review design guidelines and standards to ensure that housing developments, particularly in higher density designations, provide adequate privacy, open space and other amenities.	Complete	The Residential Development Design and Development Standards were adopted in December 2019 and updated in December 2020 to implement the requirements of SB 330 and SB 35 to articulate objective project design requirements for all residential and mixed-use developments.	Delete program
1j-1 Monitor and Implement RDSCS in New Projects. Continue to monitor and ensure that an appropriate percentage of all new market rate housing be affordable to lower, median, and moderate income households. The Planning Commission and City Council shall annually review proposed RDSCS allocation procedures to ensure that developers will maximize points in the RDSCS by providing sufficient affordable units.	Discontinued	SB 330 suspended the RDSCS program effective January 1, 2020, as the Housing Crisis Act preempts and precludes the enforcement of RDSCS while the State of California's Housing Crisis Act is in effect.	Delete program

Table H 6-2 Evaluation of 2015-2022 City of Morgan Hill Housing Element Programs

Program	Status	Evaluation	Recommendation
1l-1 RDCS Points for BMR Housing. On an annual basis, when the City Council updates RDCS scoring criteria, ensure that provisions are retained within the RDCS that award points for developments that voluntarily reserve a percentage of the proposed housing for below market rate units.	Discontinued	SB 330 suspended the RDCS program effective January 1, 2020, as the Housing Crisis Act preempts and precludes the enforcement of RDCS while the State of California's Housing Crisis Act is in effect. In preparation for the suspension of RDCS, the City of Morgan Hill adopted an Inclusionary Housing Ordinance (IHO) in August of 2018 to replace the RDCS mechanism that allowed for the creation of Below Market Rate (BMR) units.	Delete program
1q-1 New Funding Sources. Monitor and consider new sources of funding for affordable housing development and rehabilitation; continue to regularly apply for grant funding such as CalHOME.	Ongoing	Staff will continue to seek out funding opportunities that both allow for programming and capacity to implement that programing. Morgan Hill is limited on resources and staffing levels reflect the 2012 elimination of the Redevelopment Agency, and the resulting loss of \$4 million in annual funding to support the rehabilitation and development of affordable housing in Morgan Hill. Morgan Hill applied for and received a \$450,000 capacity building grant from Destination Home for a period of 3 years (\$150,000 per year) to fund an Unhoused Specialist position that began in 2021 and will continue to seek out such opportunities.	Retain and modify program
1r-1 Partnership for Tax Credits. Continue to support applications for Low-Income Housing Tax Credits either by acting as co-applicant with the developer or providing them with matching funds.	Complete/ Ongoing	Support for tax credits and bonds is regularly provided for both new development and rehabilitation. As Housing Program funding is available, the City of Morgan Hill takes the opportunity to partner with affordable housing developers and fund projects. (2015 EAH Morgan Hill Family – Scattered Site \$4,5000,000.00, 2018 Crossings on Monterey \$750,000, 2021 Royal Oak Village \$400,000).	Retain and modify program

Table H 6-2 Evaluation of 2015-2022 City of Morgan Hill Housing Element Programs

<i>Program</i>	<i>Status</i>	<i>Evaluation</i>	<i>Recommendation</i>
1bb-1 Solar Energy Assessment District. Study the possibility of forming a voluntary (opt-in) solar energy assessment district to provide loans to offset the initial cost of installing solar panels or other efficiency improvements. Loans would be paid for by a municipal bond and paid back by an increase in the participating household's property taxes for the life of the loan.	Complete	A Solar Energy Assessment District was not implemented; however, the City of Morgan Hill participates in the Property Assessed Clean Energy (PACE) Program which allows property owners to finance energy improvements and pay the costs back in individual property taxes.	Delete program
1cc-1 R-2 Zoning. Modify the R-2 zoning standards (Chapter 18.55 of the Zoning Code) to explicitly state that second units are an allowed use.	Complete	The Zoning Ordinance was updated in 2018 which modified the RAL zoning district (previously named R-2) to allow Accessory Dwelling Units (secondary units) as a permitted use.	Delete program
1cc-2 Secondary Unit Information. Develop resources to help educate homeowners, architects, and builders about secondary dwelling units. Potential actions include producing handouts and fact sheets and hosting "How To" workshops.	Ongoing	The City Housing Program has partnered with the Housing Trust of Silicon Valley and other providers to market and offer workshops and resources for homeowners constructing Accessory Dwelling Units (ADUs). HTSV offers an ADU Construction Loan Program for a three-year term. On site tours of prefabricated ADUs have occurred at city hall. The Planning team updated the ADU ordinance in 2019 and 2021 to comply with legislation that amended ADU law (AB 3182 (2020) and SB 13, AB 68, AB 881, AB 587, AB 670, and AB 671 (2019).	Retain and modify program
1dd-1 Secondary Unit Fees. Reduce per-unit impact fees for secondary dwelling units to reflect smaller household sizes and lesser impacts.	Ongoing	Effective in 2020, pursuant to the Government Code, no impact fees are imposed on accessory dwelling units less than 700 square feet in size; in addition, impact fees charged for an accessory dwelling unit more than 700 square feet are charged proportionality in relation to the square footage of the primary dwelling unit.	Delete program

Table H 6-2 Evaluation of 2015-2022 City of Morgan Hill Housing Element Programs

Program	Status	Evaluation	Recommendation
1ee-1 Secondary Unit Ordinance. Study and revise the secondary dwelling unit ordinance to ensure it follows standard best practices. Points to consider include:. • Clarify the ordinance to ensure properties are not subdivided and second units sold as separate units. • Utilize window design techniques to reduce impact on adjacent property for two-story second units. • Increase the maximum permitted second unit size to 50 percent of primary dwelling or 750 square feet, whichever is smaller. • Reduce parking requirements to one space for a two-bedroom second unit, or allow tandem parking for the two spaces. • Reduce or eliminate the minimum lot size for second units. • Have second units governed by the same land use controls as other buildings (setbacks, lot coverage, etc.). • Review and revise the zoning ordinance to allow second units in additional zoning districts, including certain multi-family and mixed use districts such as CC-R and CL-R, where some existing lots developed with single-family uses could accommodate greater density in a second unit configuration.	Complete	Chapter 18.84 (Accessory Dwelling Units) of the Zoning Code was created in 2018 and updated in 2019 to be consistent with the Government Code to allow for accessory units as an important form of affordable housing while preserving the character and integrity of residential neighborhoods in Morgan Hill.	Delete program

Table H 6-2 Evaluation of 2015-2022 City of Morgan Hill Housing Element Programs

<i>Program</i>	<i>Status</i>	<i>Evaluation</i>	<i>Recommendation</i>
1ii-1 Rental Assistance Programs. Undertake the following: (1) Refer rental property owners to the Santa Clara County's Housing Authority's waiting list; (2) When in contact with rental property owners, inform them of the Housing Authority's vouchers program; and, (3) Promote the availability of vouchers for use in the rental rehabilitation program.	Ongoing	When in contact with rental property owners, inform them of the Santa Clara County Housing Authority's voucher programs and encourage them to list their vacant rental units on the Housing Authority's website (www.scchousingauthority.org/section-8-landlord-resources/). Rental assistance programs are continuously updated and marketed to the community in English and Spanish (https://www.morgan-hill.ca.gov/2303/Summer-2022-Food-and-Rental-Assistance).	Retain program
1II-1 Update Funding Information. Update, as needed, directories of State and federal housing and community development programs that provide financial assistance. Annually identify State and federal programs that are most applicable to Morgan Hill and have the greatest potential for funding affordable housing in the city.	Ongoing Beginning of Fiscal year	The city participates in the Urban County Community Development Block Grant (CDBG) and HOME consortium. Morgan Hill is not an entitled city; however, as population increases, the city will evaluate the opportunity to become an entitled city in the future.	Retain and modify program
1nn-1 Housing Rehabilitation of Rental Properties. Provide financial assistance for substantial housing rehabilitation to rental property owners with extremely low, very low or low income tenants in exchange for long term affordability (as required by the funding source).	Ongoing	During the 5 th cycle, 254 affordable apartment units have been rehabilitated (+7 managers units).	Retain program
1nn-2 First-Time Homebuyer Program. Provide a first-time homebuyer downpayment assistance program targeted to low and moderate income residents and employees.	Ongoing	Since 2015, \$612,880.00 has been provided in the form of BEGIN down payment assistance.	Retain program
1nn-3 Promote Extremely Low Income Housing. Provide priority funding consideration for extremely low income housing developments.	Ongoing	There are 158 extremely low-income units in the development pipeline.	Retain program

Table H 6-2 Evaluation of 2015-2022 City of Morgan Hill Housing Element Programs

<i>Program</i>	<i>Status</i>	<i>Evaluation</i>	<i>Recommendation</i>
100-1 Update City's Affordable Housing Strategy. Continue to update the City's Affordable Housing Strategy with the most current Census data. Identify methods to create housing affordable to extremely low income households.	Complete/ March 2018	March of 2018, the City employed Keyser Marston Associates, Inc. (KMA) to identify potential programs to increase the supply of affordable housing. KMA provided an initial list for the City's consideration.	Delete program
100-2 Review Housing Objectives Annually. Review housing objectives annually and recommend program modifications if annual housing objectives are not being met.	Complete/ Ongoing Each Spring part of annual report to CC	Annual Housing Program Status Reports provided to City Council.	Retain program
11t-1 Term of BMR Units. Review the term of affordability for ownership housing units.	Ongoing. Complete.	In November of 2019 and December of 2021, BMR programmatic revisions were discussed with the City Council, at which point Council solidified that the intent of the ownership program is long-term affordability and stability, not rate of return.	Delete program
11t-2 BMR Equity. Develop opportunities for owners of BMR units to build equity/wealth, while protecting the public investment of resources.	Complete	The BMR ownership program provides homeowners with a stable long-term housing payment, and the ability to earn below market rate equity through a recorded restriction agreement that utilizes the Consumer Price Index (CPI) to calculate the resale price for 45 years. This facilitates the homeowners ability to earn some equity (pending market conditions), and supports the preservation of the affordability aspect of the home.	Delete program

Table H 6-2 Evaluation of 2015-2022 City of Morgan Hill Housing Element Programs

<i>Program</i>	<i>Status</i>	<i>Evaluation</i>	<i>Recommendation</i>
1vv-1 Annual Monitoring of Potential At-Risk Units. Annually monitor the status of at-risk assisted rental housing units. Contact current property owners of at-risk projects to determine their financial objectives and appropriate financial assistance needed to meet those objectives (rehabilitation assistance, operating subsidies, additional Section 8 vouchers, etc.).	Ongoing	Since 2015, there have been over 65 BMR ownership cases involving enforcement action or escalations. Of those 65, 41 involved attorney action, and 6 progressed to formal complaints filed and litigation in court. Through this process, the City and HouseKeys learned how to strengthen the program and make policies and procedures defensible in court. This is part of the administration provided by HouseKeys. Additionally, third party BMR portfolio monitoring occurred 2017.	Retain program
1yy-1 Semi-Annual Survey of Rental Vacancies. Conduct a semi-annual survey of rental housing vacancies to determine the applicable vacancy rate for implementing the condominium conversion ordinance.	Ongoing Annual	A vacancy survey is conducted annually. Vacancy rates have consistently been at 1%.	Retain program
1zz-1 Housing Discrimination. Refer discrimination complaints to Project Sentinel or other organizations that combat housing discrimination.	Ongoing	Staff continues to refer residents to the Law Foundation and Project Sentinel. The Project Sentinel Fair Housing Program receives Urban County CDBG funding.	Retain program
2e-1 Resale and Rental Inspection. Research and evaluate creating a resale and rental inspection program to maintain and improve the quality of the housing stock.	Complete	From 2015 to 2021, there was 53 BMR homes, rehabbed and <i>resold</i> to income qualified, first-time homebuyers by the City's BMR administrator HouseKeys. July 25, 2018, the City Council authorized the establishment of a \$1,000,000 Below Market Rate (BMR) Housing Acquisition and Rehabilitation Program with a revolving fund to provide for the preservation of BMR homes that need to be acquired and/or rehabilitated by the City and resold to new eligible homeowners. Each of the 53 resale homes was inspected by the City's BMR administrator as part of the resale process.	Delete program

Table H 6-2 Evaluation of 2015-2022 City of Morgan Hill Housing Element Programs

Program	Status	Evaluation	Recommendation
2m-1 Work with Mobile Home Interest Groups. Work with mobile home residents and nonprofit groups, as opportunities and interests arise, to explore the purchase of existing mobile home parks to preserve or enhance their affordability. Options include providing funding for feasibility studies, assisting in accessing state and federal programs (such as the California Mobilehome Park Resident Ownership Program), and using available local affordable housing funds as gap funding.	Ongoing	Morgan Hill has a mobile home park ordinance (Municipal Code Chapter 5.36) that limits the amount that space rents can be increased from year to year on mobile home spaces constructed before January 1, 1990. A basic provision of the ordinance is that rents, for leases of 12 months or less, can increase by no more than 75% of the annual increase in the CPI. However, there is a provision in the ordinance that permits an owner to petition to increase rents by more than the 75% of CPI limitation to yield a "just and reasonable return on their property." This provision allows rents to increase so that the property's Net Operating Income (NOI) increases at a rate of up to 40% of the annual increase in the CPI since 1981. Annual rent increases under this provision may not exceed more than twice the CPI or 15%, whichever is less.	Delete program
2n-1 Energy Audits/Weatherization. Partner with local organizations for energy audits/weatherization programs. Typical projects include energy audits, energy efficiency rebate applications, weatherization (reducing air leakage, etc.), window replacement, appliance swaps, etc.	Complete	Morgan Hill is a participating jurisdiction in the Urban County CDBG Program which funds rehabilitation services provided by Rebuilding Together Silicon Valley (RTSV) which includes weatherization repairs and energy efficiency upgrades. This implementation program/action is repetitive of other similar actions, and therefore is proposed to be removed.	Delete program
3i-1 Low Interest Loans for Accessibility. When funds are available, provide low interest rehabilitation loans to make existing residences accessible to the disabled.	Ongoing	In collaboration with RTSV, Morgan Hill offers a low-income senior and/or disabled Homeowner Rehabilitation Grant Program. From July 2015 to June 2020 RTSV has worked on 258 homes and completed 2,564 repairs in Morgan Hill.	Retain and modify program

Table H 6-2 Evaluation of 2015-2022 City of Morgan Hill Housing Element Programs

<i>Program</i>	<i>Status</i>	<i>Evaluation</i>	<i>Recommendation</i>
3i-2 Housing for Mentally Impaired Homeless Adults. Work with nonprofit organizations (Community Solutions and South County Housing are two examples of nonprofits with which the City has relationships) to evaluate the need for additional units in Morgan Hill for mentally impaired homeless adults.	Ongoing	Efforts have included participation in Measure A's Affordable Housing Bond, dedicated to extremely low-income households and homeless. The Crossings is 39 units of which 20 apartments are reserved for chronically homeless. The Royal Oak Village has 73 units of which 24 are permanent supportive housing (PSH) units. The Morgan Hill Family – Scattered Site affordable rental development has 41 units of which six are set-aside for Transitional Aged Youth aging out of the foster care system. Currently processing a 41-unit project "The Magnolias," of which 11 units are for chronically homeless.	Retain and modify program
3i-3 Housing for Developmentally Disabled Adults. Coordinate with North Bay Regional Center to integrate their clients into affordable housing. Consult with North Bay Regional Center on new affordable development projects to ensure that new units are built that support adults with developmental disabilities to live lives integrated with the rest of the community.	Ongoing	The Housing Program facilitates community meetings as needed to successfully integrate developmentally disabled adults into the neighborhood. There are currently three group homes owned and operated by the San Andreas Regional Center in Morgan Hill (previously named North Bay Regional Center).	Retain and modify program
3j-1 Locations for Senior Housing. Identify criteria and locations within the city that are appropriate for senior housing developments and assist developers as appropriate.	Complete	Ongoing efforts. Morgan Hill Senior Housing project (81 units) received a \$14.3M award in 2022 from the State Housing and Community Development Multifamily Housing Program (MHP). Pending a California Debt Limit Allocation Committee (CDLAC) proposed bond allocation award (June of 2022). If awarded, project will be fully funded, and construction will commence December 2022.	Delete program
3l-1 Reduced Impact Fees for Senior Housing. Reduce per- unit impact fees for small senior housing units to reflect smaller household sizes and lesser impacts.	Complete	The City instituted reduced impact fees for senior housing.	Delete program

Table H 6-2 Evaluation of 2015-2022 City of Morgan Hill Housing Element Programs

Program	Status	Evaluation	Recommendation
3q-1 Emergency Voucher Program. Consider implementing a one-time emergency voucher program to assist residents displaced by criminal activity, natural disasters or other emergencies. Coordinate with social service providers.	Ongoing	Since 2015, the city has assisted 6 families with emergency hotel placement as a result of flooding and will continue to aid in this effort as resources are available. Coordination with the County of Santa Clara also occurs as they have a county wide emergency hotel placement program.	Retain program
4b-1 Impact Fees for Downtown Housing. Reduce per-unit impact fees for small downtown housing units, to reflect smaller household sizes and lesser impacts.	Complete	The City instituted reduced impact fees for housing units within the Downtown.	Delete program
4p-1 Increase Awareness of Universal Design Principles. Educate the Planning Commission about universal design. Make information available at Development Services Center.	Ongoing	Previous Planning Commissions have been educated regarding universal design, but continuous education is needed as Planning Commission vacancies are filled and as Morgan Hill's population continues to age and there is an increasing demand for age-friendly housing built with universal design principles.	Retain program
4p-2 Universal Design Ordinance. Study and, if appropriate, adopt a universal design ordinance or policies to encourage the inclusion of universal design features in new construction. Options include identifying minimum, cost-effective amenities for all new construction and offering points in the RDCS for homes that provide a more extensive selection of universal design features.	Ongoing	A Universal Design Ordinance was not prepared during the 5 th Housing Element cycle; however, points were awarded towards projects that provided universal design features in the RDCS competition. With the passage of SB 330, the RDCS program has been suspended effective January 1, 2020.	Retain and modify program

Appendix H7

Public Participation

City of Morgan Hill Housing Element 2023-2031

DRAFT

Table of Contents

City of Morgan Hill Housing Element

APPENDIX H-7 | Public Participation H-7-i

7.1 Introduction..... H-7-1

7.2 List of Meetings..... H-7-1

7.3 Assessment of Fair Housing Outreach..... H-7-3

7.4 Summary of Public Input..... H-7-4

DRAFT

APPENDIX H-7 | Public Participation

7.1 Introduction

The 2022 update of the Housing Element involved an extensive community engagement process. The initial efforts began in May and June of 2021, with a series of workshops that were held to provide a roadmap of the past, present, and future housing in Morgan Hill, to communicate how we got here, and to discuss the housing needs for current and future residents. The opportunity was taken to share the State mandates for housing production that are in response to the housing crisis and geared towards increasing the supply. The initial workshops served as a springboard to leap into a deeper community engagement process. City staff used a variety of methods to solicit public input on the Housing Element update, including distributing three survey's (two pertaining to Assessment of Fair Housing (AFH)), hosting public workshops, providing information at community events, conducting focus groups, giving presentations to the Community, and holding several workshops with the community and the Planning Commission. Staff prioritized involvement and engagement of residents and community members that are most directly impacted by the plan and development, especially Latinx, homeless, and other underrepresented or underserved groups. For a synopsis of presentations provided, surveys, and results of public input, see Attachment 7-A.

Community outreach and engagement opportunities were designed to provide a safe engagement process that followed safe public health protocols around COVID-19, and to implement a meaningful engagement process that promoted a sense of ownership and real participation among community members. Staff involved a diverse range of participants, seeking input from the business community, community-based organizations, and other stakeholders.

7.1.1 City Website

A City website (<https://www.morgan-hill.ca.gov/2063/Housing-Element-Update>) specifically for the Housing Element update was established to provide an overview of the Housing Element process, FAQs, recordings, online comments to the City, and to announce future events (i.e., workshops, survey). Presentations from public outreach meetings were available for viewing, and documents related to the Housing Element were linked to the website, including the results of the surveys.

7.2 List of Meetings

The City of Morgan Hill started the engagement process for the Housing Element in May 2021. Below is a list of meetings and community-based organizations (CBO's) that City staff met with and consulted during the community participation process:

- ❖ 5/18/21 What is Affordable Housing 101, Spanish with English (Zoom presentation)
- ❖ 5/19/21 All Things Housing Community Workshop (Zoom presentation)
- ❖ 5/22/21 All things Housing - In-person
- ❖ 5/23/21 Hablando Vivienda con Nuestras Familias En Espanol (Zoom presentation)
- ❖ 5/28/21 Agricultural Workforce Housing in South County (Zoom presentation)
- ❖ 6/2/21 Community Workshop - State Mandates for Housing Production, City Council Meeting, (Zoom presentation)

- ❖ 6/10/21 Town Hall - Creating Inclusive Communities through Design Form, (Zoom presentation)
- ❖ 6/16/21 Community Workshop - Housing Affordability, (Zoom presentation)
- ❖ 6/23/21 Community Workshop - Housing and Long-term Sustainability, (Zoom presentation)
- ❖ 8/11/21 Community Workshop - Let's Talk Housing Santa Clara County, Introducing the Housing Element Update (Countywide Zoom presentation with interactive City of Morgan Hill breakout room)
- ❖ 11/11/21 South County Collaborative (Zoom presentation and interactive focus group with 30 CBOs)
- ❖ 1/11/22 Social Services Agency, South County Staff (Zoom presentation & interactive focus group)
- ❖ 1/13/22 Morgan Hill Unified School District (MHUSD) Fawn Meyers HR Director (Zoom interview)
- ❖ 1/18/22 Compassion Center Staff (CBO Zoom interactive focus group)
- ❖ 1/18/22 COVID Testing day, obtained feedback from attendees
- ❖ 1/18/22 Gavilan College South County Basic Needs Staff (CBO Zoom interactive focus group)
- ❖ 1/20/22 Parents Helping Parents (CBO Zoom interactive focus group)
- ❖ 1/20/22 Digital Nest serving youth in South County (CBO Zoom interactive focus group)
- ❖ 1/20/22 Morgan Hill Library (Zoom interactive focus group)
- ❖ 1/25/22 Medical Social Worker Valley Health Center and Saint Louise Hospital (Zoom interactive focus group)
- ❖ 1/25/22 Richard Prato Director of Human Resources, Christopher Ranch Agriculture Employer (phone interview)
- ❖ 1/25/22 Introduction to the Housing Element (Planning Commission workshop)
- ❖ 1/19/22 Eden Housing (Jasmine Square) Jonathan Crowther James (Affordable Housing Developer Focus Group)
- ❖ 1/28/22 St. Vincent De Paul and St. Catherine's (faith based and CBO interactive Zoom interview)
- ❖ 1/31/22 Building Back Better, Joint Venture Silicon Valley, Executive Director Quency Phillips (interactive Zoom interview)
- ❖ 2/2/22 Catholic Charities, Greg Kepferle (interactive Zoom interview)
- ❖ 2/3/22 Employment Development Department (Zoom interview)
- ❖ 2/3/22 Saint Joseph's Food Pantry, David Cox (CBO Zoom interview)
- ❖ 2/3/22 South County Collaborative Board Members (CBO interactive Zoom focus group)
- ❖ 2/3/22 Morgan Hill Bible Church Homeless Safe Park (focus group in person with unhoused families)
- ❖ 2/10/22 Townhall Housing Element (Zoom presentation)
- ❖ 2/14/22 Silicon Valley Independent Living Center, Patricia Cokes (CBO Zoom interview)
- ❖ 2/17/22 Townhall Housing Element (Zoom presentation and community feedback)
- ❖ 2/22/22 Sites Inventory (Planning Commission workshop)
- ❖ 3/7/22 Silicon Valley @Home (CBO interactive Zoom focus group)
- ❖ 3/8/22 Evaluation of Past Performance (Planning Commission workshop)
- ❖ 3/14/22 Edward Boss Prado Foundation, Cecilia Ponzini (telephone interview)
- ❖ 3/21/22 Voices School, (surveying of parents, in-person)
- ❖ 3/26/22 Spanish mass at Saint Catherine's (in person surveying)

- ❖ 3/27/22 Spanish mass at Saint Catherine's (in person surveying)
- ❖ 4/9/22 City Booth at the Farmers' Market/Sidewalk Saturdays
- ❖ 4/12/22 Goals & Policies (Planning Commission workshop)
- ❖ 4/26/22 Assessment of Fair Housing (AFH) and Affirmatively Furthering Fair Housing (Planning Commission workshop)
- ❖ 5/10/22 Constraints Analysis (Planning Commission workshop)
- ❖ 5/11/22 Santa Clara County Planning Collaborative Developer Listening Session (interactive Zoom roundtable)
- ❖ 5/24/22 Housing Element Update (Planning Commission workshop)
- ❖ 7/27/22 Draft 2023-2031 Housing Element (Planning Commission public hearing)
- ❖ 8/2/22 City Booth at National Night Out
- ❖ 8/17/22 Draft 2023-2031 Housing Element (City Council public hearing)

7.3 Assessment of Fair Housing (AFH) Outreach

The outreach activities elicited broad community participation during the development of the AFH. The City conducted numerous outreach activities to reach all segments of the community and purposely focused on reaching Latinx, individuals and families currently housed in affordable housing, homeless, and other underrepresented or underserved groups. The City prioritized outreach by conducting small interactive focus groups with service providers/CBO's via Zoom as outlined above. The City also reached out purposefully to the Latinx community by translating all surveys to Spanish and conducting in person meetings as well as Zoom workshops in Spanish. City staff also conducted outreach during the Spanish mass at St. Catherine's as identified above.

In addition, two Assessment of Fair Housing (AFH) surveys were provided (both in English and Spanish), one for Community Based Organizations (in which the City received 25 responses) and another survey geared towards underrepresented or underserved individuals and families (in which the City received 651 responses). The surveys were provided electronically and in hard-copy format to the following organizations and locations:

- ❖ Affordable Rental Housing locations
 - Cochrane Village
 - Crest Avenue Apartments
 - The Crossings at Morgan Hill
 - The Crossings Monterey
 - Depot-Commons
 - Jasmine Square
 - Murphy Ranch Family Townhomes
 - Royal Court Apartments
 - San Pedro Gardens
 - The Skeel Apartments
 - Terracina at Morgan Hill
 - The Willows Apartments
 - Villa Ciolino
 - Orchards Ranch Scattered Sites
 - Park Place
- ❖ CBO's
 - Building Back Better, Joint Venture Silicon Valley
 - Catholic Charities
 - Christopher Ranch
 - Destination Home Silicon Valley

- Digital Nest
- Employment Development Department
- Eden Housing
- Gavilan College
- Morgan Hill Unified School District
- Parents Helping Parents
- The Compassion Center
- Morgan Hill Library
- Saint Louise Hospital
- St. Vincent De Paul
- St. Catherine's
- Saint Joseph's Food Pantry
- Silicon Valley @Home
- Silicon Valley Independent Living Center
- Social Services Agency
- Valley Health Center
- Voices School
- ❖ Panaeria bakery
- ❖ Morgan Hill Senior Center
- ❖ Rotary
- ❖ Senior Affordable Rental Housing locations
 - Sycamore Glen
 - Horizons
 - Bella Terra Apartments
 - The Lodge at Morgan Hill
 - The Huntington
- ❖ Unhoused individuals through outreach to encampments

7.4 Summary of Public Input

There were several themes that were common among all comments obtained in the community participation process, from both, CBO's as well as individuals.

Comments obtained from CBO's that were developed into Goals for the Housing Element are summarized below:

- ❖ Provide a range of housing opportunities affordable to Morgan Hill workforce.
- ❖ Promote Extremely Low-Income housing.
- ❖ Prevent homelessness and address the housing needs of people experiencing homelessness.
- ❖ Establish special needs housing for seniors, persons with disabilities, and veterans.
- ❖ Conduct community education/outreach to inform residents about affordable housing and how to seek assistance.

Some specific comments that were brought up by CBO's that were developed into key Policies include:

- ❖ An affordable housing overlay district could be used to increase affordable housing.
- ❖ Pass a commercial linkage fee ordinance.

- ❖ Zone more land and/or change zoning regulations for multi-family to increase affordable housing.
- ❖ Pass a rent stabilization ordinance.
- ❖ Integrate affordable housing throughout the community.
- ❖ Protect residents from displacement.

Common themes obtained in the community participation process among individuals that provided feedback that were developed into Goals or Policies are summarized below:

- ❖ Provide a range of housing opportunities affordable to Morgan Hill workforce.
- ❖ Prevent homelessness and address the housing needs of people experiencing homelessness.
- ❖ Integrate affordable housing throughout the community.
- ❖ Ensure that children who grew up in Morgan Hill have housing options so they can live in Morgan Hill as adults.
- ❖ Preserve, maintain, and rehabilitate existing housing to ensure neighborhood livability and promote continued housing affordability.
- ❖ Pass a rent stabilization ordinance.
- ❖ Create an affordable housing overlay district.
- ❖ Zone more land to allow multi-family rental housing.
- ❖ Increase housing education, outreach, and enforcement.

One comment or view that was not accepted, or not included, in the Housing Element Update that was common among several CBO's, as well as individuals, was the request to 'pass an affordable housing bond issue to provide funding to construct multi-family housing'. The City did not include an affordable housing bond as a policy in the Housing Element Update as passing an affordable housing bond is costly, would require voter approval, and other policies and actions were identified that can achieve the same goal of developing multi-family housing, such as studying the creation of an affordable housing overlay, considering a commercial linkage fee, and expand multi-family zoning areas throughout the City.

For a synopsis of presentations provided, surveys, and results of public input, see Attachment 7-A.

Attachment 7-A

Public Participation

City of Morgan Hill Housing Element 2023-2031

DRAFT



DRAFT HOUSING ELEMENT AVAILABLE FOR PUBLIC REVIEW

The Housing Element:

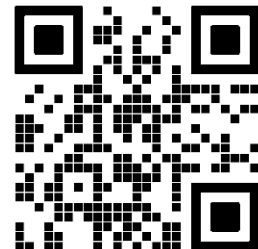
- Assesses housing needs for all populations
- Reviews constraints to providing housing
- Identifies housing goals, policies, and implementation programs for the next 8 years

Comments accepted through July 5th

Town Hall on Zoom June 23rd @ 5:30pm

(link on webpage below)

Scan the QR code or visit the City's website at
<https://www.morgan-hill.ca.gov/2063/Housing-Element-Update> to access the Draft Housing
Element and provide feedback



Written comments and any questions should be directed to:

Adam Paszkowski, Principal Planner, at
adam.paszkowski@morganhill.ca.gov or 408-310-4635 or at
17575 Peak Avenue, Morgan Hill, CA 95307

Adam Paszkowski

From: City of Morgan Hill <pio@morganhill.ca.gov>
Sent: Friday, February 25, 2022 1:02 PM
To: Adam Paszkowski
Subject: [EXTERNAL] Weekly 411 Community News for February 25

February 25, 2022



Hello Morgan Hill!



What a sunny and bright winter this is! It may be pleasant day-to-day, but so little rain is problematic.

Valley Water has many [water conservation tips](#) and [landscape rebates](#) to help homeowners and businesses transition to drought-resistant landscaping.

Visit mhvalueswater.com for local water use guidelines scheduled to change on Tuesday, March

1.

City Engagement

Survey: Morgan Hill's Housing Element
Survey Closes on February 28

The City is in the process of updating the Housing Element of the General Plan for the

2023-2031 period as required by State law. The Housing Element establishes policies and programs to address Morgan Hill's existing and projected housing needs for all economic segments of the community.

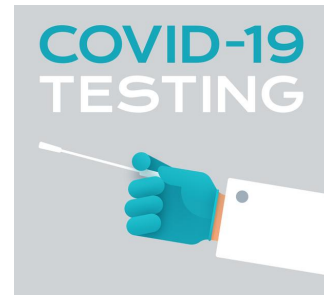
The process includes asking community members what they see as Morgan Hill's most significant housing needs. All responses are kept confidential; one survey can be submitted per person.

- Survey in English: <https://www.surveymonkey.com/r/JDZYJ65>
- Survey in Spanish: <https://www.surveymonkey.com/r/QZKN6W3>

COVID TESTING at the Morgan Hill Council Chamber Tuesday, March 1, 9:30 a.m. - 4:00 p.m.

17555 Peak Avenue, Morgan Hill, 95037
Schedule an appointment [here](#).

Appointments for this location will be open for scheduling 7 days before the testing date. Once all appointments are filled, this location will no longer appear as an option.



Library, Culture, and Arts Commission

Tuesday, March 1, 5:30 p.m. [View Meeting Information](#)

The Commission meetings are virtual and live-streamed on [Facebook](#), Channel 17, and the [City's website](#).

Members of the community who would like to participate may join the virtual meeting at <https://bit.ly/LCACMeeting> or call 669-900-9128, then enter the meeting identification when prompted: 874 0656 4997.

Public comment may be provided in the following ways:

- Join the virtual Library, Culture, and Arts Commission meeting via the link above; when public comment is opened, raise your virtual hand and be called upon to speak for up to three minutes;
- Join the virtual meeting by calling the number above, dial *9 to raise your hand, and be called upon to speak for up to three minutes;
- Send public comments in writing via email to chris.ghione@morganhill.ca.gov.

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

City Council Special / Regular Meeting

Wednesday, March 2, [View Meeting Information](#)

Planning Commission Candidate Interviews, 5:30 p.m. - 7:00 p.m.

Regular City Council Meeting, 7:00 p.m.

The City Council meetings are virtual and live-streamed on [Facebook](#), Channel 17, and the [City's website](#).

Agenda items include:

- [Public hearing](#) to receive input on the proposed Industrial Ordinance, Industrial Preservation and Optimization Policy, and the Industrial Code Amendments
- Redistricting [public hearing](#) regarding submitted draft maps

Members of the community who would like to participate may do so virtually: <https://bit.ly/MHCityCouncilMeeting> or call 669-900-9128, then enter the meeting id: 873 3200 8380.

Public comment may be provided in the following ways:

- Join the virtual City Council meeting via the link above; when public comment is opened, raise your virtual hand and be called upon to speak for up to 3 minutes;
- Join the virtual meeting by calling the number above, dial *9 to raise your hand, and be called upon to speak for up to 3 minutes;
- Send public comments in writing to City Clerk: ccpubliccomment@morganhill.ca.gov.

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

2022 State of the City Address

Wednesday, March 9, 7:00 p.m.

Please join Mayor Rich Constantine and the City of Morgan Hill on Wednesday, March 9, 2022, from 7 p.m. to 8 p.m. for a virtual 2022 State of the City Address. Mayor Constantine will reflect on the prior year's challenges and accomplishments and set the stage for what's to come in 2022.

Residents can participate via Zoom:

- <https://bit.ly/2022StateoftheCityAddress>
- Or call 669-900-9128 and use Webinar ID 863 7717 5045 when prompted
- Submit questions by Monday, March 7, 5 p.m. to pio@morganhill.ca.gov
- Questions can be asked during the event by raising your virtual hand or through the Q&A feature

The event will also be streamed on [Facebook](#), Channel 17, and the City's [website](#).

Survey: City-Owned Recreation Facilities

Survey Closes on March 11

The City of Morgan Hill is working on the development of a [long term site master plan](#) for the City-owned recreation facilities on Condit Road. These facilities include the Outdoor Sports Center, Aquatics Center, and adjacent City-owned undeveloped property.

As part of this process, the City is seeking community input on the improvements and expansions to the site. While these improvements or expansions may not occur for several years, it is essential for the City to plan well in advance.

We encourage all residents and regular visitors to Morgan Hill to [take the short survey](#) and provide your input.

Volunteers Needed: Recreation Division Swim Meet

April 1, 2 & 3 Aquatics Center, Morgan Hill

The Aquatics Center will be hosting a Pacific Masters swim meet on April 1, 2, & 3. We are looking for volunteers to work outside to assist with the meet.

If you are interested in volunteering, please [apply using our volunteer link](#). Once that is completed, applicants will be emailed a link to select time slots.

For questions regarding the event, contact Lisa Rick at lisa.rick@morganhill.ca.gov.

Economic Development: February 2022 Newsletter

[eNewsletter Now Available](#)

Find information about key efforts that impact our business community, including:

- Shopping Center Sales Tax Rebounds,
- Industrial Preservation & Optimization Policy,
- Businesses Newly Opened and Coming Soon, and
- Business Resources



Morgan Hill Recreation Preschool

Registration Open for 2022-2023 School Year

To register, visit www.mhreconline.com using the codes listed on the [Recreation Preschool](#) webpage. The first month's tuition is due upon registration. A completed registration packet, a copy of your child's birth certificate, and up-to-date immunization records will be required before the start of the program.

Community Corner



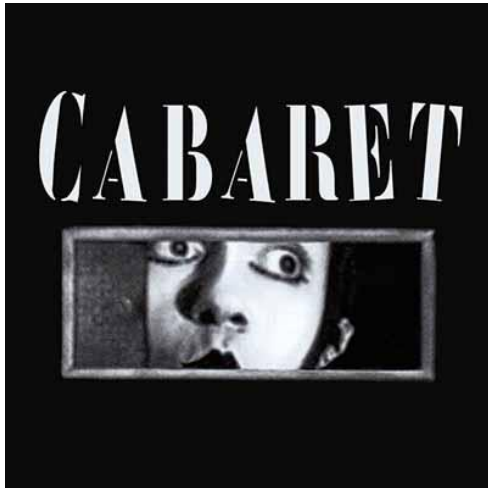
Training in Restorative Justice
March 5, 8:30 a.m. - 4:30 p.m.
Register by March 3

Registration Required



\$20,000 in Scholarships
Youth Film Competition
EmPower Silicon Valley

March 10 Kick Off Event
Registration



South Valley Civic Theater
Starting March 11
Morgan Hill Community Playhouse
17090 Monterey Road, Morgan Hill

[Purchase Theater Tickets](#)



southvalleysymphony.org

NextGen Young Artists Concert
March 12, 7:30 p.m.
Advent Lutheran Church

[Purchase Concert Tickets](#)



Hazardous Materials Division

Learn about FREE lead paint inspection and abatement services available for homeowners in Santa Clara County

[HazMat Division Link](#)

Registrar of Voters

Now accepting applications for election workers for the June 7, 2022 Statewide Direct Primary Election

[Registrar of Voters Employment Link](#)



Santa Clara County
Trades Orientation Program (TOP)

Interested in a career in the trades?
TOP is recruiting now!

[TOP Flyer](#)

[TOP Website](#)

City Maintenance Projects



The Scoop

News you want to know about public projects and maintenance activities throughout Morgan Hill.

Click the image [or here](#) for the latest updates and what to expect in the coming week.



Housing & Road Alignment Begins on Hale Lumber Site

Depot - Latala Project Information



Llagas Creek Flood Control Phase 2

Project Information

COVID-Related Resources & Information



From the California Department of Industrial Relations [Full Description of the Program](#)

The Supplemental Paid Sick Leave (SB 114) was passed on February 8, 2022, and is effective February 19, 2022, in response to the continued COVID-19 pandemic.

The Bill approves provisions designed to help reduce the impact of the virus on families. It provides paid sick leave to employees to care for themselves or family members when they have COVID or time off to get vaccinated.

This provision allows for retroactivity to January 1, 2022, and will remain in effect until September 30, 2022.

Your Morgan Hill



Morgan Hill City Hall Office Hours

The Civic Center area is open to the public: Monday through Friday,
8 a.m. - 5 p.m.

All individuals - employees and visitors -
must wear a mask while indoors in all
City facilities, regardless of vaccination
status.

State and County Health Information

[CA Coronavirus Information](#)

[Santa Clara County Public Health](#)

Elected Officials

Morgan Hill City Council

- [Rich Constantine, Mayor](#)
- [Gino Borgioli, District A, Mayor Pro Tem](#)
- [Yvonne Martínez Beltrán, District B](#)
- [Rene Spring, District C](#)
- [John McKay, District D](#)

County Supervisor

District 1: [Mike Wasserman](#)

California State Assembly District 30:

[Robert Rivas](#)

California State Senate District 17:

[John Laird](#)

U.S. Congressional District 19:

[Zoe Lofgren](#)

City of Morgan Hill Commissions:

- [Library, Culture, and Arts](#)
- [Parks and Recreation](#)
- [Planning](#)

City of Morgan Hill Advisory Committees:

- [City/School Liaison Committee](#)
- [Youth Action Council](#)

City of Morgan Hill | 408-779-7271
17575 Peak Ave. Morgan Hill, CA 95037 | www.morganhill.ca.gov

Follow updates on the City of Morgan Hill's
[website](#) and [Facebook](#), [Twitter](#), [Instagram](#), and [Nextdoor](#).



Join Our Mailing List
For The Weekly 411

City of Morgan Hill | 17575 Peak Avenue, Morgan Hill, CA 95037

[Unsubscribe](#) adam.paszkowski@morganhill.ca.gov

[Update Profile](#) | [Constant Contact Data Notice](#)

Sent by pio@morganhill.ca.gov powered by



From: [City of Morgan Hill](#)
To: [Adam Paszkowski](#)
Subject: [EXTERNAL] Housing Element Workshop - February 22, 2022
Date: Friday, February 18, 2022 5:03:56 PM

[View this in your browser](#)

As a reminder, please join us to hear about Morgan Hill's "Site Inventory" discussion as part of the 2023-2031 Housing Element Update at the February 22, 2022 Planning Commission meeting.

Planning Commission Meeting

Date: Tuesday, February 22, 2022

Time: 7:00 p.m.

Location: Video Conference

Weblink: <https://bit.ly/PlanningCommissionMtg>

Phone: (669) 900-9128 Webinar ID: 862 0324 6251

In addition, the final DRAFT Housing Needs Assessment is now available for review:

- [DRAFT Housing Needs Assessment](#) (February 18, 2022)

* * * * *

This complimentary message is being sent to subscribers who might be interested in its content. If you do not wish to continue receiving these messages, please accept our apologies, and unsubscribe by visiting our website at:

<http://www.morgan-hill.ca.gov/list.asp?mode=del>

Please note, we will not sell or give your e-mail address to any organization without your explicit permission.

You are receiving this message because you are subscribed to Housing Element Update on www.morgan-hill.ca.gov. To unsubscribe, click the following link:

[Unsubscribe](#)

From: [City of Morgan Hill](#)
To: [Adam Paszkowski](#)
Subject: [EXTERNAL] Upcoming Town Hall and Planning Commission Meetings
Date: Tuesday, February 15, 2022 1:22:54 PM

[View this in your browser](#)

Dear Community Members,

The City of Morgan Hill will be holding two upcoming Housing Element Update meetings: (1) a Town Hall Meeting this Thursday, February 17th at 5:30 p.m., and (2) during the Planning Commission Meeting next week, Tuesday, February 22nd at 7:00 p.m.

Our sincere apologies for the technical difficulties we experienced during the February 10, 2022 Town Hall Meeting. The Virtual Town Hall: Morgan Hill's Housing Element Discussion is rescheduled to **Thursday, February 17, 5:30 p.m. - 6:30 p.m.** via Zoom. Spanish interpretation will be available. The February 17th Town Hall Meeting will be more of a Q & A forum, please attend to provide your input and help shape policies for the Housing Element.

Town Hall Meeting

Date: Thursday, February 17, 2022

Time: 5:30 p.m.

Location: Video Conference

Weblink: <https://bit.ly/Communitytownhall>

Or Telephone: 1 669 900 9128, Webinar ID: 828 0731 9295

City of Morgan Hill staff recorded the following video (<https://youtu.be/D6UweZcnSyE>) discussing what is a Housing Element, new Housing Element laws, Affirmatively Furthering Fair Housing (AFFH) requirements, Morgan Hill's Housing Needs Assessment, what is RHNA (Regional Housing Need Allocation), the cities Sites Inventory, and Morgan Hill's Housing Element process.

The City of Morgan Hill will be holding a second Housing Element Update workshop with the Planning Commission to discuss the City's "Site Inventory" at their February 22, 2022 Planning Commission meeting. Please join us to hear more about what a "Site Inventory" is, projects that are in the 'Pipeline', and where Morgan Hill stands in meeting its 2023-2031 Regional Housing Need Allocation (RHNA).

Planning Commission Meeting

Date: Thursday, February 22, 2022

Time: 7:00 p.m.

Location: Video Conference

Weblink: <https://bit.ly/PlanningCommissionMtg>

Phone: (669) 900-9128 Webinar ID: 862 0324 6251

* * * * *

This complimentary message is being sent to subscribers who might be interested in its content. If you do not wish to continue receiving these messages, please accept our apologies, and unsubscribe by visiting our website at:

<http://www.morgan-hill.ca.gov/list.asp?mode=del>

Please note, we will not sell or give your e-mail address to any organization without your explicit permission.

You are receiving this message because you are subscribed to Housing Element Update on www.morgan-hill.ca.gov. To unsubscribe, click the following link:

[Unsubscribe](#)

Adam Paszkowski

From: City of Morgan Hill <pio@morganhill.ca.gov>
Sent: Friday, February 4, 2022 2:02 PM
To: Adam Paszkowski
Subject: [EXTERNAL] Weekly 411 Community News for February 4

February 4, 2022



Featured This Week



Welcome to the first full week in February! It doesn't exactly feel like winter, but we can still celebrate.

February is Black History Month! African Americans have made significant contributions to U.S. history that we can recognize and honor throughout the month.

February was chosen for Black History Month primarily because the second week of the month coincides with the birthdays of both Abraham Lincoln, February 12, and Frederick Douglass celebrated on February 14.

An impressive collection and resources are available at the National Museum of African History & Culture, part of the Smithsonian museum system: <https://nmaahc.si.edu/>.

City Engagement

Morgan Hill Recreation Preschool

Registration Opens Monday, February 7, 8:00 a.m., for 2022-2023 School Year

To register, visit www.mhreconline.com using the codes listed on the [Recreation Preschool](#) webpage. The first month's tuition is due upon registration. A completed registration packet, a copy of your child's birth certificate, and up-to-date immunization records will be required before the start of the program.



It's Good to be Prepared!

Morgan Hill's Office of Emergency Services (OES) is getting ready to host the Winter 2022 Community Emergency Response Team Training and welcomes the community to [register for the class](#).

The Community Emergency Response Team (CERT) training is a 20-hour, all-hazard training offered by OES in partnership with Gilroy OES.

The training is designed for anyone ages 13 and older interested in learning how to protect themselves, their family, neighbors, and their neighborhood in an emergency.

The CERT basic training is now being offered as a combination of online training and a one-day, hands-on skills training. The online ZOOM training will be a bi-weekly class estimated to take 12 hours from February 8 – March 5. Questions: jennifer.ponce@morganhill.ca.gov.

Planning Commission Meeting

Tuesday, February 8, 7:00 p.m. [View Meeting Information](#)

Planning Commission meetings are virtual and live-streamed on [Facebook](#), Channel 17, and the [City's website](#).

Members of the community who would like to participate may do so virtually: <https://bit.ly/PlanningCommissionMtg> or call 669-900-9128, then enter the webinar ID: 862 0324 6251.

Public comment may be provided in the following ways:

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

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

Virtual Town Hall: Morgan Hill's Housing Element

Thursday, February 10, 5:30 p.m. - 6:30 p.m.

The City is in the process of updating the Housing Element of the General Plan for the 2023-2031 period as required by State law. The Housing Element establishes policies and programs to address Morgan Hill's existing and projected housing needs for all economic segments of the community.

Virtual Meeting Link: <https://bit.ly/Communitytownhall> or call 669-900-9128, then enter the meeting ID when prompted: 828 0731 9295.

This virtual town hall meeting will also be streamed live on Facebook at <https://www.facebook.com/morganhillengage/>.

The town hall will discuss the existing and upcoming Housing Element, the City's housing needs, the City's Sites Inventory, housing policies, and Affirmatively Furthering Fair Housing (AFFH) requirements.

The process also includes asking community members what they see as Morgan Hill's most important housing needs. Please complete the short survey to provide us with your input. All responses are kept completely confidential. One survey can be submitted per person.

- Survey link in English: <https://www.surveymonkey.com/r/JDZYJ65>
 - Survey link in Spanish: <https://www.surveymonkey.com/r/QZKN6W3>
-

Community Presentation: Deadly Dangers of Fentanyl

Presentation on Thursday, February 10, 6:00 - 7:30 p.m.

Learn about drugs sold to kids on social media, hear testimonials from families experiencing loss from fentanyl poisoning, get Narcan training, and more.

Two options for attending

- In-Person: City Council Chamber Building, 17555 Peak Ave.
- Virtual: <https://bit.ly/FentanylAwarenessCommunityMeeting>

Registration required for all attendees: <https://www.surveymonkey.com/r/LTP6HLW>.

See the event flyer in [English](#) and [Spanish](#) for additional information. Contact Dori Prado, 408-390-9012, for any questions.

City / School Liaison Committee Meeting

Friday, February 11, 8:30 a.m., [Virtual Meeting Information](#)

Community members who would like to participate remotely may do so via the virtual meeting link: <https://bit.ly/MHCity-SchoolLiaisonMtg> or call 669-900-9128, then enter the meeting id: 852 4065 6291.

Public comment may be provided in the following ways:

- Join the virtual City / School Liaison Committee meeting via the link above; when public comment is opened, raise your virtual hand and be called upon to speak for up to 3 minutes;
 - Join the virtual meeting by calling the number above, dial *9 to raise your hand, and be called upon to speak for up to 3 minutes;
 - Send public comments in writing to City Clerk: ccpubliccomment@morganhill.ca.gov.
-

City Council Meeting & Redistricting Workshop

Wednesday, February 16

5:30 p.m. - Workshop

7:00 p.m. - Regular Meeting, [View Meeting Information](#)

At the workshop, the City Council and community will review and discuss [all draft maps](#). The City Council will provide direction on which maps it would like to move forward with. After the workshop, there will be a regular City Council meeting starting at 7:00 p.m. with the same Zoom and call-in connections.

Residents are encouraged to participate via Zoom:

- Join via Zoom: <https://bit.ly/MHCityCouncilMeeting>
- or call 669-900-9128; Webinar ID: 873 3200 8380

The next steps after the February 16 workshop are:

- At the March 2 City Council public hearing, the Council may adopt the final district map
- The final district maps must be adopted by April 17 in accordance with State law.

Helpful Reminders from the Morgan Hill PD

Identity theft and identity fraud are terms used to refer to all types of crime in which someone wrongfully obtains and uses another person's personal data in some way that involves fraud or deception, typically for economic gain.



What Are the Most Common Ways That Identity Theft or Fraud Can Happen? Read the latest [info & tip sheet](#) on the department's [Crime Prevention](#) webpage.

Community Corner



Youth Development Through Golf

**Students Register by February 9
for Classes & Days**

Registration Opens Feb. 9



High School Virtual Job Shadow Day

**Students Register by February 11
[Event](#) Scheduled for Feb 24**

Registration & Program Info



Online Tutoring Pods

Feb. 14 - May 25 Via Zoom
Days & Times Vary Per Grade Level

Register & Receive Link



Morgan Hill HUB

Starts Feb. 15 / Tues. Wed. & Thurs.
After School Program, Ages 12-18

Registration Required



Mental Health Support for Young Adults

Classes in the Area



Upcoming Service Changes

Routes & Times



Save the Date March 27 Wildflower Run

Registration Open

City Maintenance Projects



The Scoop

News you want to know about public projects and maintenance activities throughout Morgan Hill.

Click the image [or here](#) for the latest updates and what to expect in the coming week.

COVID-Related Resources & Information

[Local Vaccinations and COVID Testing Locations, Dates, and Times](#)

[Rent and Housing Support from Local, County, and State Agencies](#)

Your Morgan Hill



Morgan Hill City Hall Office Hours

The Civic Center area is open to the public: Monday through Friday,
8 a.m. - 5 p.m.

All individuals - employees and visitors -
must wear a mask while indoors in all
City facilities, regardless of vaccination
status.

State and County Health Information

[CA Coronavirus Information](#)

[Santa Clara County Public Health](#)

Elected Officials

Morgan Hill City Council

- [Rich Constantine, Mayor](#)
- [Gino Borgioli, District A, Mayor Pro Tem](#)
- [Yvonne Martínez Beltrán, District B](#)
- [Rene Spring, District C](#)
- [John McKay, District D](#)

County Supervisor

District 1: [Mike Wasserman](#)

California State Assembly District 30:

[Robert Rivas](#)

California State Senate District 17:

[John Laird](#)

U.S. Congressional District 19:

[Zoe Lofgren](#)

City of Morgan Hill Commissions:

- [Library, Culture, and Arts](#)
- [Parks and Recreation](#)
- [Planning](#)

City of Morgan Hill Advisory Committees:

- [City/School Liaison Committee](#)
- [Youth Action Council](#)

City of Morgan Hill | 408-779-7271
17575 Peak Ave. Morgan Hill, CA 95037 | www.morganhill.ca.gov



City of Morgan Hill | 17575 Peak Avenue, Morgan Hill, CA 95037

[Unsubscribe](#) adam.paszkowski@morganhill.ca.gov

[Update Profile](#) | [Constant Contact Data Notice](#)

Sent by pio@morganhill.ca.gov powered by



Adam Paszkowski

From: City of Morgan Hill <pio@morganhill.ca.gov>
Sent: Friday, January 28, 2022 4:01 PM
To: Adam Paszkowski
Subject: [EXTERNAL] Weekly 411 Community News for January 28

January 28, 2022



Featured This Week



It's Good to be Prepared!

Morgan Hill's Office of Emergency Services (OES) is getting ready to host the Winter 2022 Community Emergency Response Team Training and welcomes the community to [register for the class](#).

The Community Emergency Response Team (CERT) training is a 20-hour, all hazard training offered by OES in partnership with Gilroy OES. The training is designed for anyone ages 13 and older interested in learning how to protect themselves, their family, their neighbors, and their neighborhood in an emergency situation.

Teenagers are eligible to receive community service hours, but require a parent/guardian's participation in the training.

During the training community members will learn:

- Disaster Preparedness
- Fire Safety
- Disaster Medical Operations and Triage
- Light Search and Rescue

- Team Organization
- Disaster Psychology
- Terrorism
- Incident Command System.

Due to the pandemic, the CERT basic training is now being offered as a combination of online training and a one-day, hands-on skills training. The online ZOOM training will be a bi-weekly class estimated to take 12 hours from February 8 – March 5.

To register for this free opportunity please go to this link <https://cert-basic-feb-8.eventbrite.com> or contact Jennifer Ponce, Office of Emergency Services, for more information.

Jennifer can be reached at jennifer.ponce@morganhill.ca.gov.

City Engagement

City Council Annual Goal Setting Workshop

Continuing Saturday, January 29, 9:00 - 5:00 p.m.

[Virtual Meeting Information & Materials](#)

City Council meetings are virtual and live-streamed on [Facebook](#), Channel 17, and the [City's website](#).

Members of the community who would like to participate may do so virtually: <https://bit.ly/MHCityCouncilMeeting> or call 669-900-9128, then enter the meeting id: 873 3200 8380.

Public comment may be provided in the following ways:

- Join the virtual City Council meeting via the link above; when public comment is opened, raise your virtual hand and be called upon to speak for up to 3 minutes;
- Join the virtual meeting by calling the number above, dial *9 to raise your hand, and be called upon to speak for up to 3 minutes;
- Send public comments in writing to City Clerk: ccpubliccomment@morganhill.ca.gov.

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

Draft Redistricting Maps Submission Deadline

Monday, January 31, 2022

It's that time! Submit your City Council district map proposal for consideration by the January 31, 2022, deadline. [Morgan-Hill.ca.gov/2183/Draw-a-Map](http://www.morgan-hill.ca.gov/2183/Draw-a-Map) shows different mapping tools and how to redraw a City Council district map.

All draft maps are available for public review on the City's redistricting webpage at <http://www.morgan-hill.ca.gov/2182/Draft-Maps>.

Next up in the redistricting process is the February 16 City Council Redistricting Workshop noted below.

Library, Culture, and Arts Commission

Tuesday, February 1, 5:30 p.m. [View Meeting Information](#)

The Commission meetings are virtual and live-streamed on [Facebook](#), Channel 17, and the [City's website](#).

Members of the community who would like to participate may join the virtual meeting at <https://bit.ly/LCACMeeting> or call 669-900-9128, then enter the meeting identification when prompted: 874 0656 4997.

Public comment may be provided in the following ways:

- Join the virtual Library, Culture, and Arts Commission meeting via the link above; when public comment is opened, raise your virtual hand and be called upon to speak for up to three minutes;
- Join the virtual meeting by calling the number above, dial *9 to raise your hand, and be called upon to speak for up to three minutes;
- Send public comments in writing via email to chris.ghione@morganhill.ca.gov.

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

City Council Meeting

Wednesday, February 2 - CANCELED

Please join the City Council at the next scheduled meeting on February 16, starting with the redistricting workshop at 5:30 p.m. See below for workshop details.

Morgan Hill Recreation Preschool

Registration Opens Monday, February 7, 8:00 a.m., for 2022-2023 School Year

Please visit our website for more information on the program and how to register.

To register, visit www.mhreconline.com using the codes listed at the website link above. The first month's tuition is due upon registration. A completed registration packet, a copy of your child's birth certificate, and up-to-date immunization records will be required before the start of the program.

Virtual Town Hall: Morgan Hill's Housing Element

Thursday, February 10, 5:30 p.m. - 6:30 p.m.

The City is in the process of updating the Housing Element of the General Plan for the 2023-2031 period as required by State law. The Housing Element establishes policies and programs to address Morgan Hill's existing and projected housing needs for all economic segments of the community.

Virtual Meeting Link: <https://bit.ly/Communitytownhall> or call 669-900-9128, then enter the meeting ID when prompted: 828 0731 9295.

This virtual town hall meeting will also be streamed live on Facebook at <https://www.facebook.com/morganhillengage/>.

The town hall will discuss the existing and upcoming Housing Element, the City's housing needs, the City's Sites Inventory, housing policies, and Affirmatively Furthering Fair Housing (AFFH) requirements.

The process also includes asking community members what they see as Morgan Hill's most important housing needs. Please complete the short survey to provide us with your input. All responses are kept completely confidential. One survey can be submitted per person.

- Survey link: <https://www.surveymonkey.com/r/JDZYJ65>

Community Presentation: Deadly Dangers of Fentanyl

Presentation on Thursday, February 10, 6:00 - 7:30 p.m.

Learn about drugs sold to kids on social media, hear testimonials from families experiencing loss from fentanyl poisoning, get Narcan training, and more.

Two options for attending

- In-Person (Tentative): City Council Chamber Building, 17555 Peak Ave.
- Virtual: <https://bit.ly/FentanylAwarenessCommunityMeeting>

Registration required for all attendees: <https://www.surveymonkey.com/r/LTP6HLW>.

See the event flyer in [English](#) and [Spanish](#) for additional information.
Contact Dori Prado at 408-390-9012 for any questions.

City Council Redistricting Workshop

Wednesday, February 16, 5:30 p.m.

At the workshop, the City Council and Community will review and discuss all draft maps. The City Council will provide direction on which maps it would like to move forward with.

Residents are encouraged to participate via Zoom:

- Join via Zoom: <https://bit.ly/MHCityCouncilMeeting>
- or call 669-900-9128; Webinar ID: 873 3200 8380

Next steps after February 16's workshop are:

- At the March 2 City Council public hearing, the Council may adopt the final district map
- The final district maps must be adopted by April 17 in accordance with State law.

This will bring to conclusion the [City's redistricting process](#), which began this past summer.

Recreation Division: Volunteers Needed

The Aquatics Center will be hosting a Pacific Masters swim meet on April 1, 2, & 3. We are looking for volunteers to work outside to assist with the meet.

If you interested in volunteering please [apply using our volunteer link](#). Once that is completed, applicants will be emailed a link to select time slots.

For questions regarding the event, contact Lisa Rick at lisa.rick@morganhill.ca.gov.

Environmental Services: Private Sewer Lateral & Water Conservation Ordinances

Thinking of selling a property? If so, take note of the Private Sewer Lateral Ordinance and the Water Conservation Ordinance that take effect on June 1, 2022. It's right around the corner!

These City ordinances will require two different inspections to take place prior to the sale of a property:

1. For properties built more than 15 years ago, privately-owned sewer lateral lines will need to be inspected prior to a sale of property by a NASSCO certified plumber with a Morgan Hill business license. If there are any damages to the line, they will need to be repaired before a Compliance Certificate can be granted. The City has established two grant opportunities to assist homeowners with the sewer line repair/replacement process.

- Info: <https://www.morgan-hill.ca.gov/1987/Private-Sewer-Lateral-Inspection-Repair->
- Grant: <https://www.morgan-hill.ca.gov/2192/Grant-Program-to-Replace-or-Repair-PSL>
- NASSCO: <https://www.nassco.org/education-and-training/certified-professionals-directory/>

2. For all properties built before January 1, 1994, the plumbing fixtures need to be retrofit prior to a resale, if not already so, with high-efficiency ones that consume less water with each use. An inspection by a contractor with a Morgan Hill business license will check toilets, urinals, and showerheads. Upon passing, property owners will receive a Water Conservation Certificate.

- Info: <https://www.morgan-hill.ca.gov/2216/Water-Conservation-Ordinance>
-

Economic Development: January 2022 Newsletter [eNewsletter Now Available](#)

Find out more about key efforts that impact our business community, including:

- Quarterly Sales Tax Update
- Housing Element Plan
- Industrial Preservation & Optimization Policy
- Downtown Lane Reduction and Place-Branding Update
- Business Resources.



[Subscribe to Future Economic Development eNewsletters](#). Thank you for continuing to “Choose Morgan Hill.”

Community Corner

Rebekah Children's Services Multiple Resources



- Updated: Feb. 4 [Deadline](#) for Winter Culinary Academy
- [Free Monthly Program](#) for Diaper & Menstrual Products
- [Parent Cafe](#) Series in English & Spanish
- [Free Food](#) 4th Friday of Every Month



January 29, noon - 5:00 p.m.
Running Shop & Hops
17500 Depot Street

Raffle Proceeds to Benefit
Edward Boss Prado Foundation

[More Info](#)

**Volunteer
to help
your
local park!**

February 5, 9:00 - 11:00 a.m.

Butterfield
between Barrett and Watsonville

[Where to Meet & More Info](#)



Youth Development Through Golf

Register by February 9 for
Range of Classes & Days

[Registration Opens Feb. 9](#)



High School Virtual Job Shadow Day

Students Register by February 11
[Event](#) Scheduled for Feb 24

[Registration & Program Info](#)



Darren Dean Vocational
Education Grant

Info & Requirements

Make Your Home
More Energy Efficient

DIY Tool Kits

County of Santa Clara's
Safe Gun Storage Campaign

Take the Survey



**American
Red Cross**

American Red Cross
National Blood Shortage

Sign Up To Donate



SANTA CLARA COUNTY
Behavioral Health Services

Proud Parents
Education Group

Upcoming Sessions

**THE
LGBTQ
YOUTH
SPACE**

Events & Resources
Morgan Hill & Gilroy

South County Info

City Maintenance Projects



The Scoop

News you want to know about public projects and
maintenance activities throughout Morgan Hill.

Click the image [or here](#) for the latest updates and
what to expect in the coming week.

COVID-Related Resources & Information

Place Your Order for Free At-Home COVID-19 Test Kits

Residential households in the U.S. can order one set
of four free at-home tests.

Order directly from the United States Postal Service:
<https://special.usps.com/testkits> or covidtests.gov.

**Order your free
at-home COVID
tests!**

Visit covidtests.gov



PUBLIC
HEALTH

Limit 4 tests per household

[Local Vaccinations and COVID Testing Locations, Dates, and Times](#)

[Rent and Housing Support from Local, County, and State Agencies](#)

[Food and Grocery Resources](#)

Your Morgan Hill



Morgan Hill City Hall Office Hours

The Civic Center area is open to the public: Monday through Friday,
8 a.m. - 5 p.m.

All individuals - employees and visitors -
must wear a mask while indoors in all
City facilities, regardless of vaccination
status.

State and County Health Information

[CA Coronavirus Information](#)

[Santa Clara County Public Health](#)

Elected Officials

Morgan Hill City Council

- [Rich Constantine, Mayor](#)
- [Gino Borgioli, District A, Mayor Pro Tem](#)
- [Yvonne Martínez Beltrán, District B](#)
- [Rene Spring, District C](#)
- [John McKay, District D](#)

County Supervisor

District 1: [Mike Wasserman](#)

California State Assembly District 30:

[Robert Rivas](#)

California State Senate District 17:

[John Laird](#)

U.S. Congressional District 19:

[Zoe Lofgren](#)

City of Morgan Hill Commissions:

- [Library, Culture, and Arts](#)
- [Parks and Recreation](#)
- [Planning](#)

City of Morgan Hill Advisory Committees:

- [City/School Liaison Committee](#)
- [Youth Action Council](#)

City of Morgan Hill | 408-779-7271
17575 Peak Ave. Morgan Hill, CA 95037 | www.morganhill.ca.gov



[Unsubscribe adam.paszkowski@morganhill.ca.gov](#)

[Update Profile](#) | [Constant Contact Data Notice](#)

Sent by pio@morganhill.ca.gov powered by



From: [City of Morgan Hill](#)
To: [Adam Paszkowski](#)
Subject: [EXTERNAL] Introduction to the 2023-2031 Housing Element Update Workshop
Date: Tuesday, January 25, 2022 3:22:16 PM

You don't often get email from webmaster@morgan-hill.ca.gov. [Learn why this is important](#)

[View this in your browser](#)

Dear Community Members,

Please join us to hear about Morgan Hill's 2023-2031 Housing Element Update process during tonight's Planning Commission meeting at 7:00 p.m.

PLANNING COMMISSION MEETING

DATE: Tuesday, January 25, 2022

TIME: 7:00 p.m.

LOCATION: Video Conference

Weblink: <https://bit.ly/PlanningCommissionMtg>

Phone: (669) 900-9128 Webinar ID: 862 0324 6251

* * * * *

This complimentary message is being sent to subscribers who might be interested in its content. If you do not wish to continue receiving these messages, please accept our apologies, and unsubscribe by visiting our website at:

<http://www.morgan-hill.ca.gov/list.asp?mode=del>

Please note, we will not sell or give your e-mail address to any organization without your explicit permission.

You are receiving this message because you are subscribed to Housing Element Update on www.morgan-hill.ca.gov. To unsubscribe, click the following link:

[Unsubscribe](#)

From: [City of Morgan Hill](#)
To: [Adam Paszkowski](#)
Subject: [EXTERNAL] Town Hall Community Meeting and Other Updates
Date: Thursday, February 3, 2022 4:48:34 PM

You don't often get email from webmaster@morgan-hill.ca.gov. [Learn why this is important](#)

[View this in your browser](#)

Dear Community Members,

We have three key updates to the Housing Element Update webpage that you should be aware of: 1) **Community Meeting (Town Hall)** on Thursday, February 10th, 2) **Housing Needs Survey**, and 3) **Draft Assessment of Housing Needs**. More detailed information can be found below or by visiting the Housing Element Update website at: <https://www.morgan-hill.ca.gov/2063/Housing-Element-Update>

Community Meeting (Town Hall)

Come join the City of Morgan Hill staff for a Town Hall on Thursday, February 10, 2022 at 5:30 p.m. via Zoom, that will discuss the housing needs of the city, the cities Sites Inventory, existing and upcoming Housing Element, housing policies, and Affirmatively Furthering Fair Housing (AFFH) requirements.

Town Hall Meeting

Date: Thursday, February 10, 2022

Time: 5:30 p.m.

Location: Video Conference

Weblink: <https://bit.ly/Communtytownhall>

Or One tap mobile: 16699009128,,82807319295#

Or Telephone: 1 669 900 9128, Webinar ID: 828 0731 9295

What are Morgan Hill's most important Housing Needs Survey

The City is in the process of updating the Housing Element of the General Plan for the 2023-2031 period as required by State law. The Housing Element establishes policies and programs to address Morgan Hill's existing and projected housing needs for all economic segments of the community. The first step in this process is to ask community members what they see as Morgan Hill's most important housing needs.

Please help shape the future of housing in Morgan Hill by completing the 10-question survey. The survey should take less than 5 minutes to complete, and all responses are kept completely confidential. One survey can be submitted per person. To access the survey in English, please click [here](#). To access the survey in Spanish, please click [here](#).

Draft Assessment of Housing Needs

During the January 25, 2022 Planning Commission meeting, the [DRAFT Assessment of Housing Needs](#) was presented to the Commission. To view the DRAFT Assessment of Housing Needs document in PDF format, please click [here](#).

* * * * *

This complimentary message is being sent to subscribers who might be interested in its content. If you do not wish to continue receiving these messages, please accept our apologies, and unsubscribe by visiting our website at:

<http://www.morgan-hill.ca.gov/list.asp?mode=del>

Please note, we will not sell or give your e-mail address to any organization without your explicit permission.

You are receiving this message because you are subscribed to Housing Element Update on www.morgan-hill.ca.gov. To unsubscribe, click the following link:

[Unsubscribe](#)



The City of Morgan Hill is launching a series of Housing Workshops!

A roadmap of housing in Morgan Hill; how we got here and the future of housing for current and future residents.

We will share the what, why, and how housing will change per State law and hear your thoughts on creating the best version of Morgan Hill for the future.

Four virtual community workshops will be held right before the City Council meetings at 5:30 pm:

- All Things Housing - Wednesday, May 19th
- State Mandates for Housing Production - Wednesday, June 2nd
- Housing Affordability - Wednesday, June 16th
- Housing and Long-Term Sustainability - Wednesday, June 23rd

In addition to the workshops above, here are additional opportunities to join the conversation:

- Affordable Housing 101 in Spanish with English Translation - Tuesday, May 18th at 5:00 pm
- All Things Housing - Saturday, May 22nd, 9 am to noon, Third St. in front of parking garage
- A Model for Agricultural Workforce Housing in South County - Friday, May 28th at 10:00 am
- Creating Inclusive Communities through Design Form - Thursday, June 10th at 5:30 pm
- Hablando Vivienda con Nuestras Familias in Spanish with English Translation - Sunday, May 23rd at 2:00 pm



For more information on the workshops above or about Housing in Morgan Hill visit <https://www.morgan-hill.ca.gov/2021HousingConversation>

Countywide Community Meeting #2

An introduction to the Housing Element update

August 11th, 2021 from 6 - 7:30 pm
Register at bit.ly/countywidemeeting2



Let's Talk Housing
SANTA CLARA COUNTY

Learn more about the update process, how to participate, and join a breakout session to discuss housing in your community.

This meeting includes the cities of **Gilroy, Morgan Hill, and the County of Santa Clara**

Visit letstalkhousingcc.org for more info



Reunión comunitaria del condado de Santa Clara #2



Introducción a la actualización del elemento de vivienda

11 de agosto del 2021 de 6 a 7:30 pm
Regístrese en bit.ly/countywidemeeting2

Let's Talk Housing
SANTA CLARA COUNTY

Aprenda más sobre el proceso de actualización, cómo participar y únase a una sesión de grupo para hablar sobre la vivienda en su comunidad.

Esta reunión incluye las ciudades de **Gilroy, Morgan Hill, y el Condado de Santa Clara.**

Visite letstalkhousingcc.org para más información



Countywide Meeting Summary

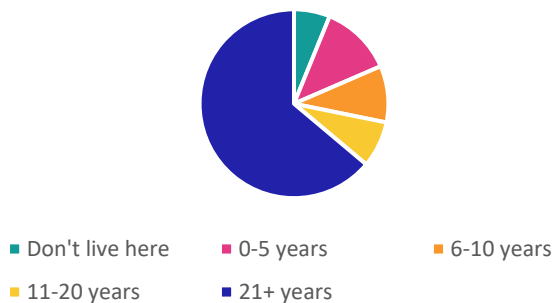
Morgan Hill: Introducing the Housing Element Update

A series of countywide meetings about the Housing Element update were held from August to September 2021. Each meeting offered Spanish-language interpretation and provided community members with an introduction to the Housing Element update, why it matters, information on the Let's Talk Housing outreach effort and countywide trends. Breakout room discussions with individual cities and towns followed.

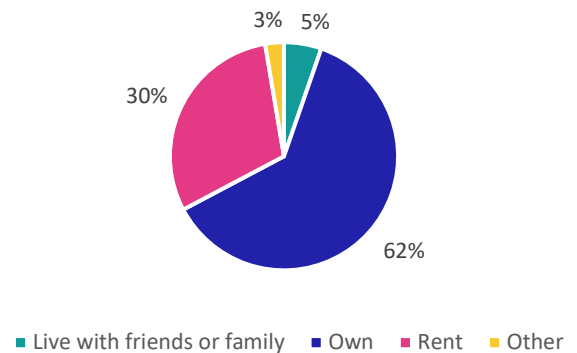
Who We Heard From

In total 832 registered for the series. Of those who registered for the series, the majority identified as White and over half were 50 years or older. Over sixty percent lived over 21 years in within the county, and over half were homeowners.

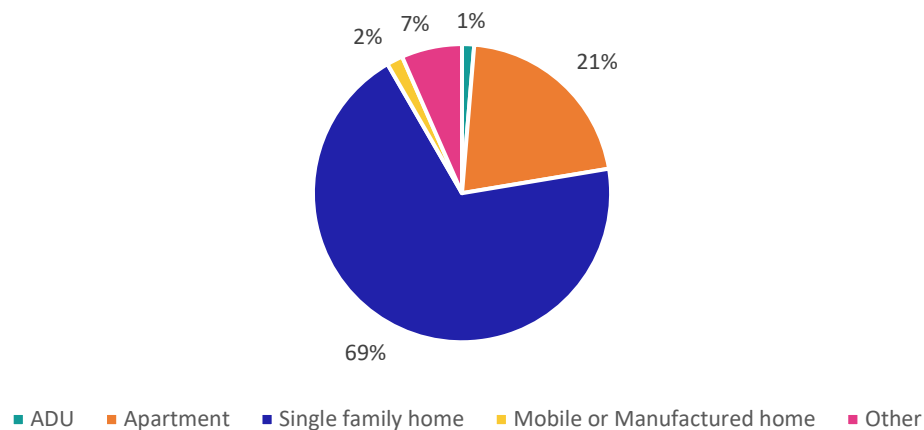
How long have you lived in County?



Living Situation



Type of Home



Countywide Meeting Summary



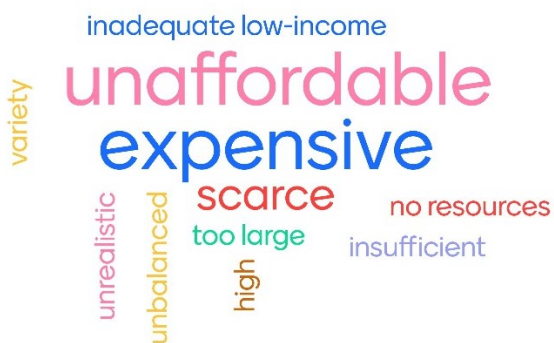
Morgan Hill was part of the August 11th, 2021 introductory meeting, along with Gilroy and Unincorporated Santa Clara County. Seventeen people who registered for the August 11th meeting identified as living in Morgan Hill, including four who live here, and three who work here. Of the residents, three owned their home and one rented. A majority of them (5) have lived in the county for 21 years or more.

What We Heard

Main Meeting

People were asked to share a word in the chat describing housing now at the beginning of the meeting, and the housing they envisioned in their communities ten years from now.

Now



In 2030



Breakout Session

In the breakout session, participants expressed that they valued the town's hills and parks. One participant noted being a happy Morgan Hill resident for over 40 years. However, participants recognized that rent and home prices are unaffordable for many. Key challenges to meeting Morgan Hill's housing needs include lack of vacant land and some community resistance to multifamily housing. Among ideas for addressing these needs were: including commercial buildings an inclusionary zoning policy and streamlining the development process. Participants expressed support for existing policies and programs such as limits to condo conversions and the town's partnership with the County to provide project-based housing vouchers.

Post Event Survey

The post-event survey reflected the variety of opinions present on issues ranging from a desire to preserve communities as they are, to an appeal for more and diverse housing everywhere in the county. Community members responded that they valued the space and the information provided within it and looked forward to more opportunities to engage in the housing element update process.



Talk with Your Community: Morgan Hill

1. What We Value and Love

In the chat, share a word or two about what you value or love about your community and it's housing. Who wants to talk about what they wrote?

- Our hills and parks!
- Been happy living here for 40 years

2. Key Housing Needs, Challenges or Opportunities

In the chat, share a word or two about our key housing needs, challenges or opportunities. Who wants to talk about what they wrote?

- Challenge of finding sites - limited vacant land and policies against converting non-res to residential
- Extremely low-income housing is a challenge -- can low income be combined with extremely low? Seems they should be separated
- Live in apartment that was concerned about being converted to condos, but city policy helped to keep from happening
- Should focus on potential for housing the un-housed (tiny homes?)
- Apartments near single family housing - people concerned will bring down home prices -- need to address
- Have done good job of meeting higher income housing needs; want to make sure lower income needs met, including special needs (people w disabilities, etc.)



Let's Talk Housing

SANTA CLARA COUNTY

- High AMI makes “affordable” housing very expensive for people who are on ELI fixed income housing, SSI
- City working to address - takes money, plus time to change policies and develop programs
- Section 8 voucher program open now - getting info out
- City partnering with county for project-based vouchers
- Challenge to get affordable housing developments through the process; get resources

3. Ideas or Suggestions

In the chat, share any ideas or suggestions you have to help meet our housing needs. Who wants to talk about what they wrote?

- Include nonresidential builders in inclusionary zoning program -- commercial development creates housing needs; should participate
- [also see points above]



Let's Talk Housing
SANTA CLARA COUNTY

4. How to Better Hear from Our Community

How can we make sure we hear from our entire community?

- Having people/places that community trusts be conduits for getting out info and helping with participation
- Housing team very active reaching out to CBOs and getting them ready for Housing Element work and promote housing
- How to address people's opposition to new housing reducing their property value and inherently opposed
- Need to educate people about affordable housing -- who it serves, how it works
- Key message -- 48% of low-income renters are paying more than 50% for housing

5. What Kind of Housing Do We Have in the Future

Let's return to it being 2030, and how we've accomplished a lot! In the chat, share with us a word or two about your vision for the housing in our community. Who wants to talk about what they wrote?

- 100% of people are paying 30% or less of income on housing
- Have 4 100% affordable developments moving forward -- want to see them all succeed!
- Modular housing is overloaded - hard to keep up with demand
- Want to see more local serving businesses so don't have to drive across town to access services



HOUSING ELEMENT

The City of Morgan Hill is in the process of preparing the 6th cycle (2023-2031) of the Housing Element Update. The Housing Element is Morgan Hill's housing plan that identifies our City's housing needs and opportunities and establishes clear goals and objectives to inform future housing decisions.

At its core, the Housing Element is an opportunity to have a community conversation about how to address local housing challenges and find solutions. The Housing Element is an important part of [Morgan Hill 2035 General Plan](#), which serves as the blueprint for how we will grow and address changing needs for development. The Housing Element must be updated every eight years and be certified by the [California Department of Housing and Community Development \(HCD\)](#).

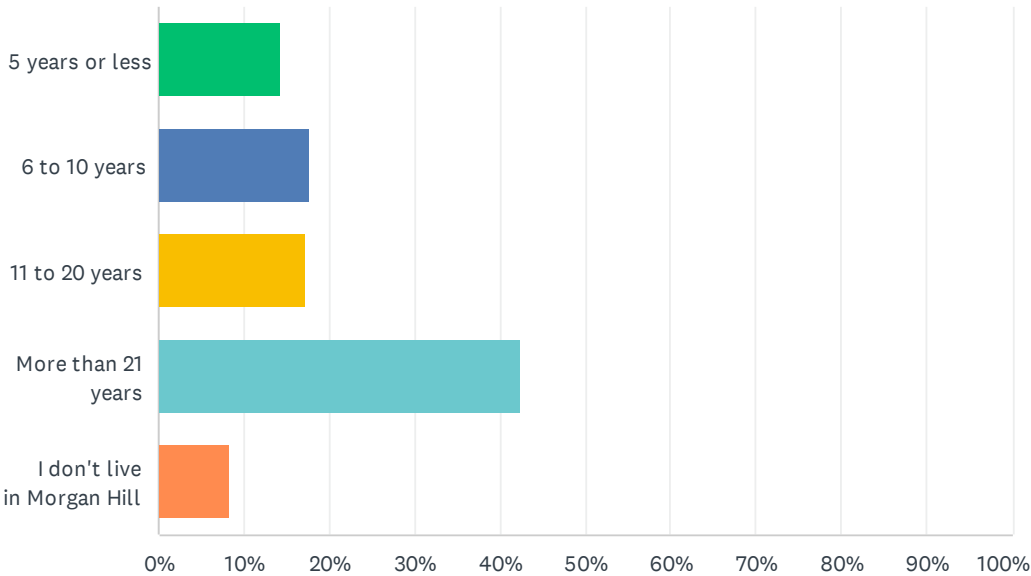
Notify Me

To sign up for notifications and updates on the Housing Element Update, select the Notify Me link or contact 408.310.4635 Adam.Paszkowski@MorganHill.Ca.Gov and Rebecca.Garcia@Morganhill.Ca.Gov.

Upcoming Meeting Housing Element discussion at the Planning Commission Meeting, April 12, 2022 at 7:00 pm. Planning Commission meetings will be live streamed on Channel 17, on the City's website and on the City's Facebook page. Those members of the community that would like to participate in the meetings remotely may do so by join the virtual meeting at: <https://bit.ly/PlanningCommissionMtg> or by calling in to: (669) 900-9128, then enter the webinar ID#: 862 0324 6251. Public comment may be provided in the following ways: Join the virtual Planning Commission meeting via the link above, when public comment is opened, raise your virtual hand and be called upon to speak for up to 3 minutes. Join the virtual meeting by calling in to the number above, dial *9 to raise your hand and *6 when called upon to speak for up to 3 minutes. Send public comments in writing to the Minutes Clerk at pcpubliccomment@morganhill.ca.gov.

Q1 About how long have you lived in Morgan Hill?

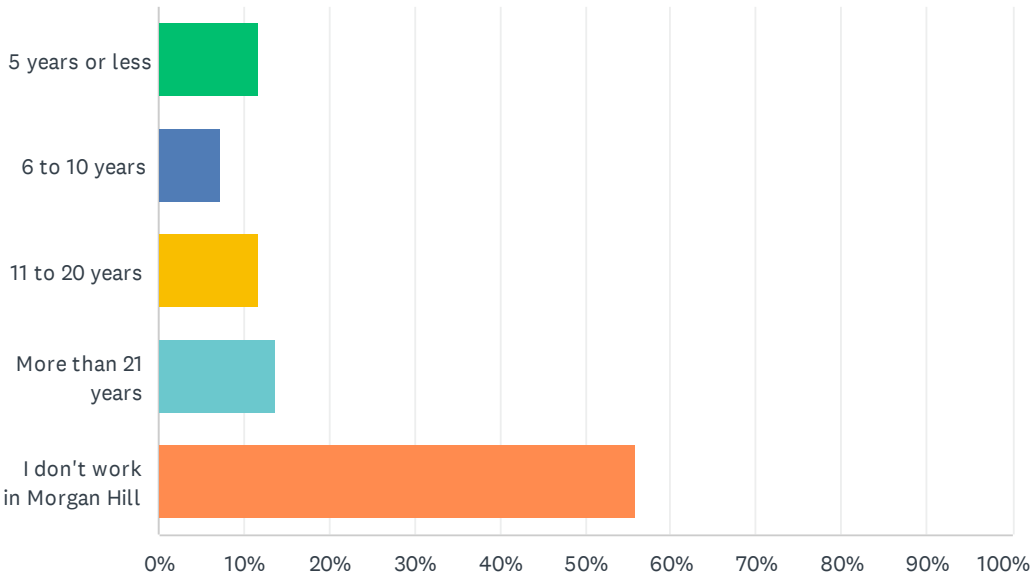
Answered: 301 Skipped: 0



ANSWER CHOICES	RESPONSES	
5 years or less	14.29%	43
6 to 10 years	17.61%	53
11 to 20 years	17.28%	52
More than 21 years	42.52%	128
I don't live in Morgan Hill	8.31%	25
TOTAL		301

Q2 How long have you worked in Morgan Hill?

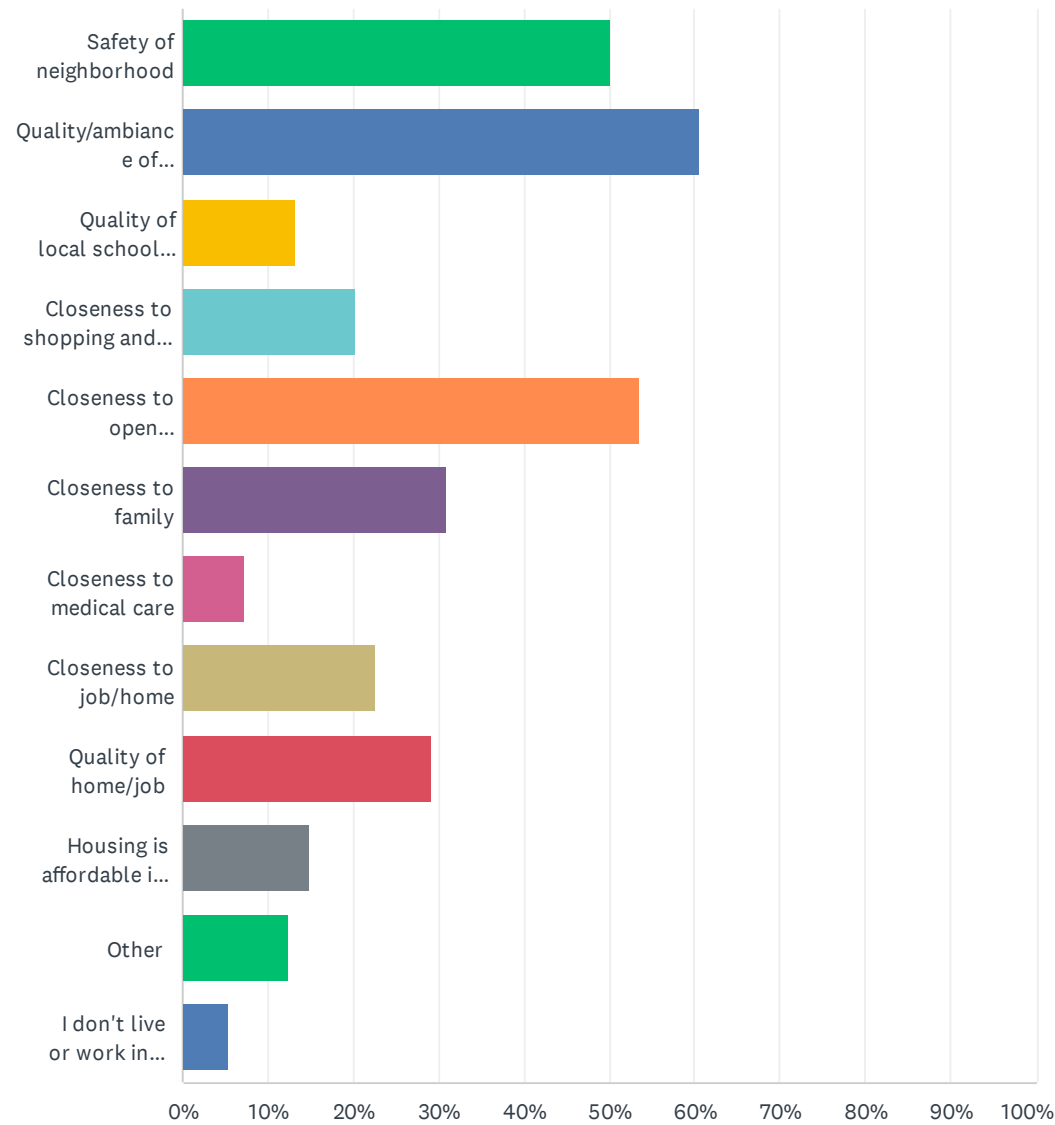
Answered: 301 Skipped: 0



ANSWER CHOICES	RESPONSES	
5 years or less	11.63%	35
6 to 10 years	7.31%	22
11 to 20 years	11.63%	35
More than 21 years	13.62%	41
I don't work in Morgan Hill	55.81%	168
TOTAL		301

Q3 Select the reason(s) why you live or work in Morgan Hill.

Answered: 301 Skipped: 0

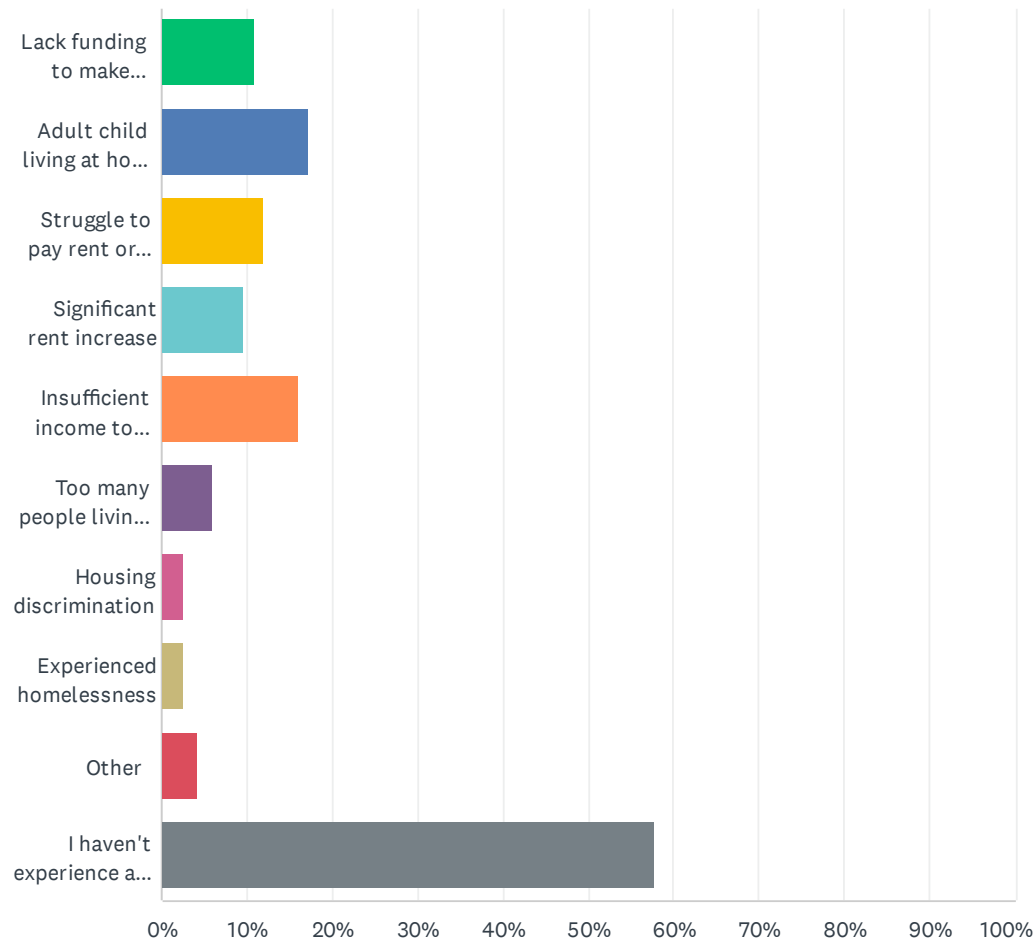


Morgan Hill 6th Cycle Housing Element Update Questionnaire

ANSWER CHOICES	RESPONSES	
Safety of neighborhood	50.17%	151
Quality/ambiance of neighborhood	60.47%	182
Quality of local school system	13.29%	40
Closeness to shopping and services	20.27%	61
Closeness to open space/recreational areas	53.49%	161
Closeness to family	30.90%	93
Closeness to medical care	7.31%	22
Closeness to job/home	22.59%	68
Quality of home/job	29.24%	88
Housing is affordable in Morgan Hill	14.95%	45
Other	12.29%	37
I don't live or work in Morgan Hill	5.32%	16
Total Respondents: 301		

Q4 Within the past two years, have you experienced any of the following housing issues? (select all that apply)

Answered: 301 Skipped: 0

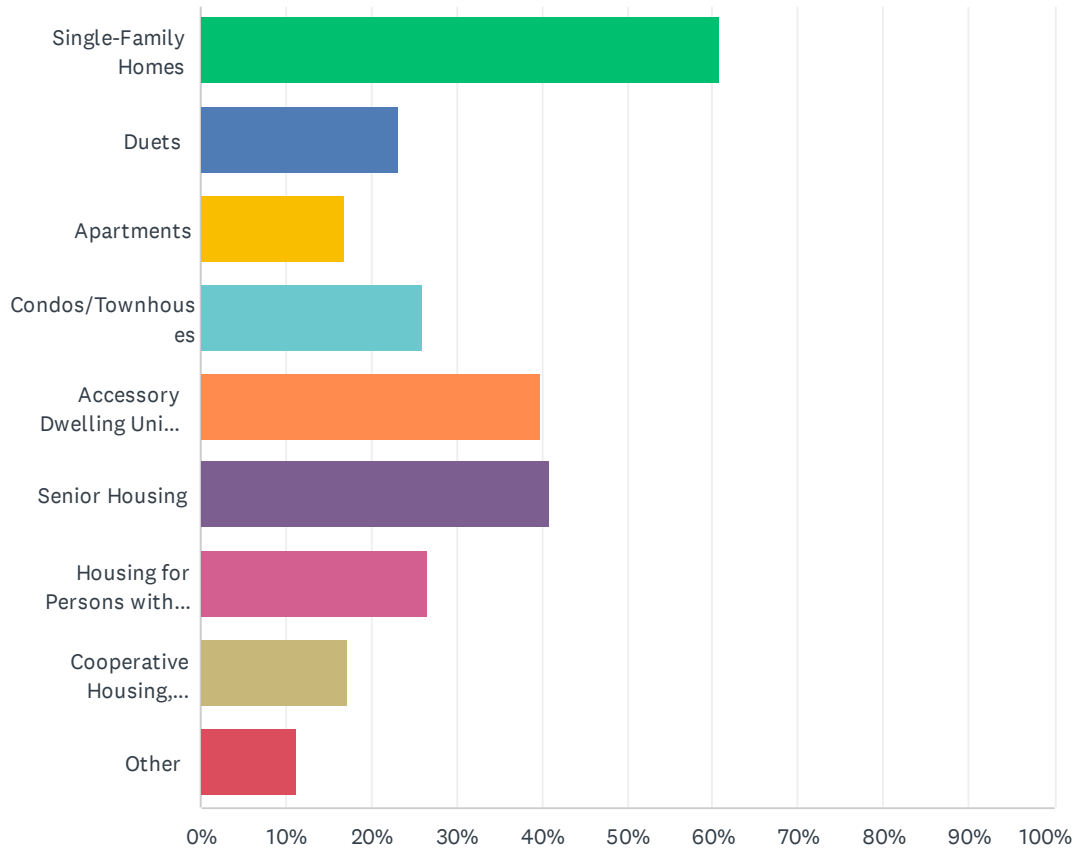


Morgan Hill 6th Cycle Housing Element Update Questionnaire

ANSWER CHOICES	RESPONSES	
Lack funding to make necessary home repairs	10.96%	33
Adult child living at home due to inability to afford housing	17.28%	52
Struggle to pay rent or mortgage	11.96%	36
Significant rent increase	9.63%	29
Insufficient income to afford living in Morgan Hill	15.95%	48
Too many people living in one home (overcrowding)	5.98%	18
Housing discrimination	2.66%	8
Experienced homelessness	2.66%	8
Other	4.32%	13
I haven't experience any housing issues	57.81%	174
Total Respondents: 301		

Q5 What types of housing would be a good addition to Morgan Hill's housing? (choose all that apply)

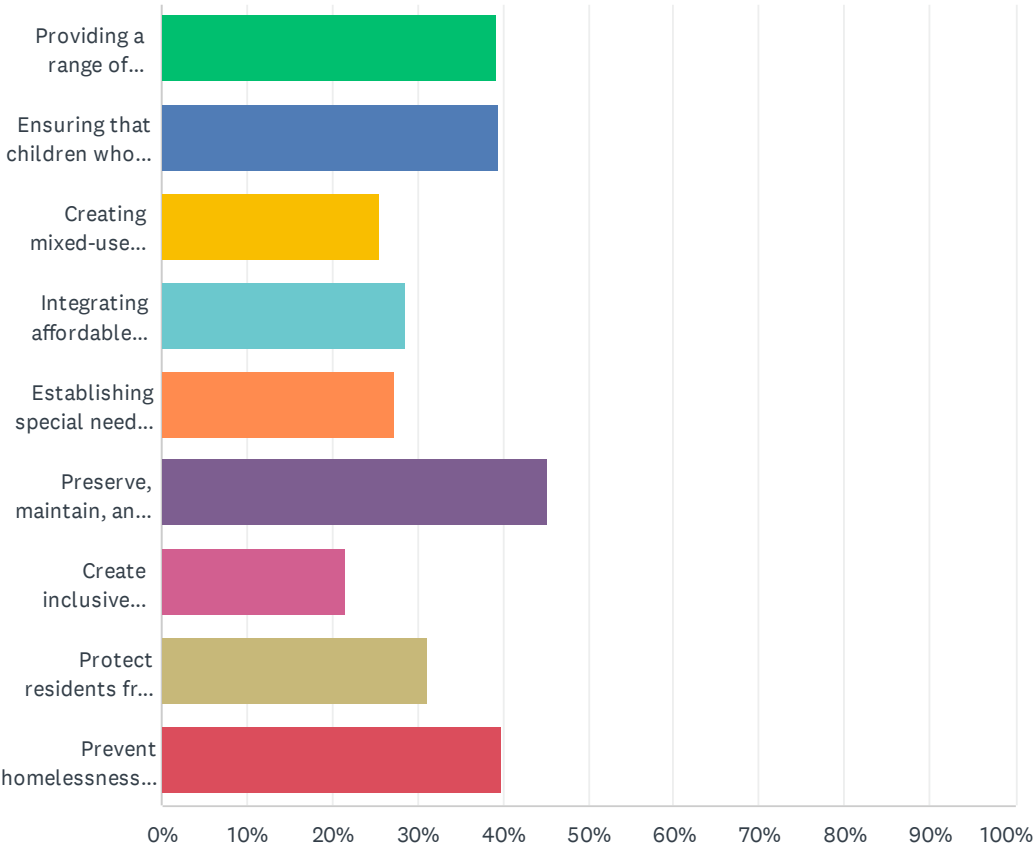
Answered: 301 Skipped: 0



ANSWER CHOICES	RESPONSES	
Single-Family Homes	60.80%	183
Duets	23.26%	70
Apartments	16.94%	51
Condos/Townhouses	25.91%	78
Accessory Dwelling Units (granny flats, in-law units, secondary units, tiny homes, etc.)	39.87%	120
Senior Housing	40.86%	123
Housing for Persons with Disabilities	26.58%	80
Cooperative Housing, Intergenerational, or Foster Family Housing	17.28%	52
Other	11.30%	34
Total Respondents: 301		

Q6 Please indicate which of the following housing priorities are most important for Morgan Hill.

Answered: 301 Skipped: 0

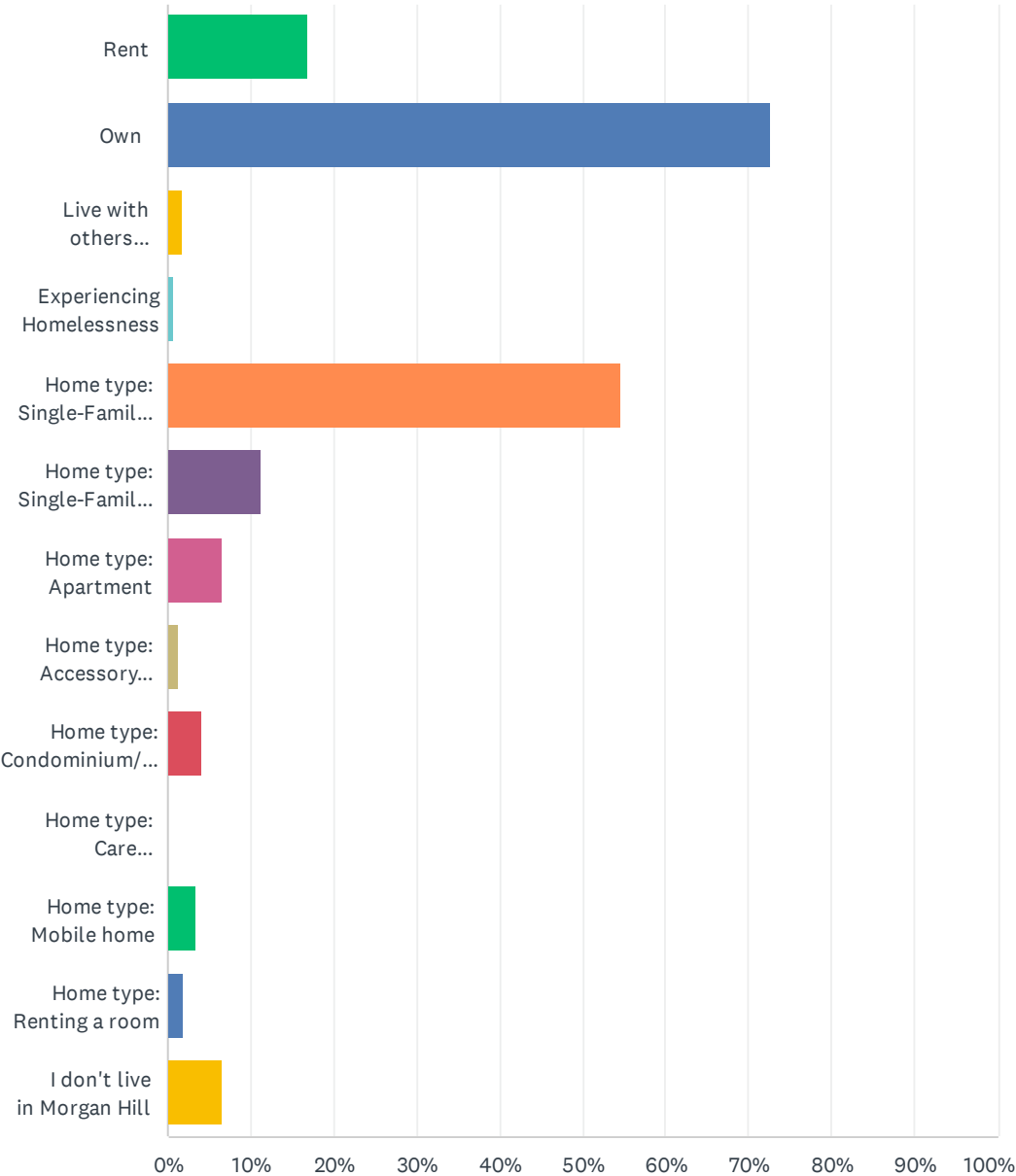


Morgan Hill 6th Cycle Housing Element Update Questionnaire

ANSWER CHOICES	RESPONSES	
Providing a range of housing opportunities affordable to Morgan Hill workforce	39.20%	118
Ensuring that children who grew up in Morgan Hill have housing options so they can live in Morgan Hill as adults	39.53%	119
Creating mixed-use (commercial/office and residential) projects that encourage walkable neighborhoods and reduce tendency on automobiles	25.58%	77
Integrating affordable housing throughout the community to create mixed-income neighborhoods avoiding concentrations in any one neighborhood	28.57%	86
Establishing special needs housing for seniors, persons with disabilities, and/or veterans	27.24%	82
Preserve, maintain, and rehabilitate existing housing to ensure neighborhood livability and promote continued housing affordability	45.18%	136
Create inclusive neighborhoods, connecting residents to jobs, schools, and services	21.59%	65
Protect residents from displacement by economic pressures by keeping people in their homes/communities	31.23%	94
Prevent homelessness and address the housing needs of people experiencing homelessness	39.87%	120
Total Respondents: 301		

Q7 If you live in Morgan Hill, what best describes your current home?
(Please indicate if you rent or own and the type of home you live in)

Answered: 301 Skipped: 0

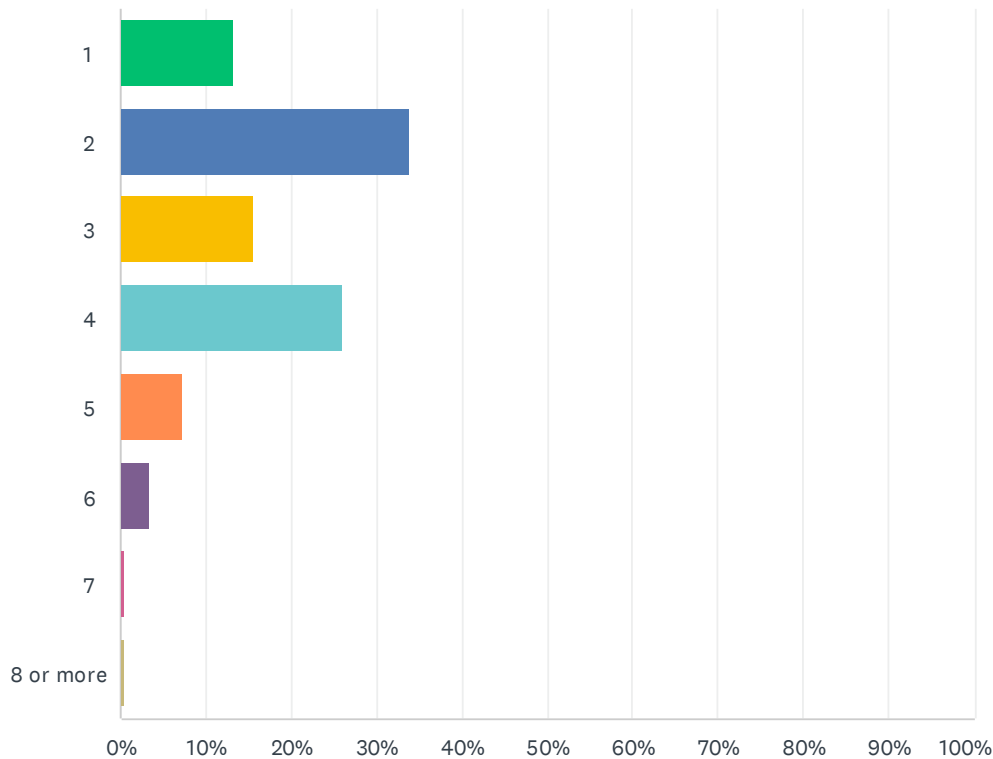


Morgan Hill 6th Cycle Housing Element Update Questionnaire

ANSWER CHOICES	RESPONSES	
Rent	16.94%	51
Own	72.76%	219
Live with others (family/friends) with no rent	1.66%	5
Experiencing Homelessness	0.66%	2
Home type: Single-Family Detached House	54.49%	164
Home type: Single-Family Attached House	11.30%	34
Home type: Apartment	6.64%	20
Home type: Accessory Dwelling Unit	1.33%	4
Home type: Condominium/Townhome	3.99%	12
Home type: Care Facility/Assisted Living	0.00%	0
Home type: Mobile home	3.32%	10
Home type: Renting a room	1.99%	6
I don't live in Morgan Hill	6.64%	20
Total Respondents: 301		

Q8 What is your household size?

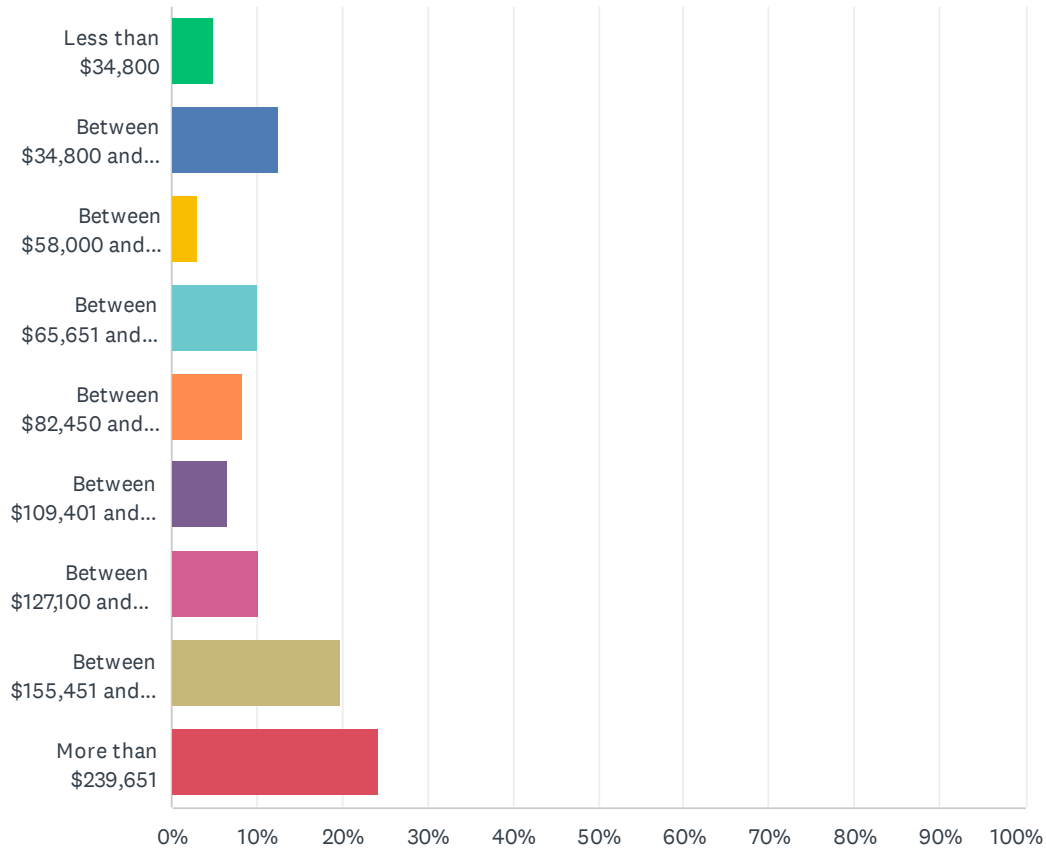
Answered: 301 Skipped: 0



ANSWER CHOICES		RESPONSES	
1		13.29%	40
2		33.89%	102
3		15.61%	47
4		25.91%	78
5		7.31%	22
6		3.32%	10
7		0.33%	1
8 or more		0.33%	1
TOTAL			301

Q9 What is your annual household income range?

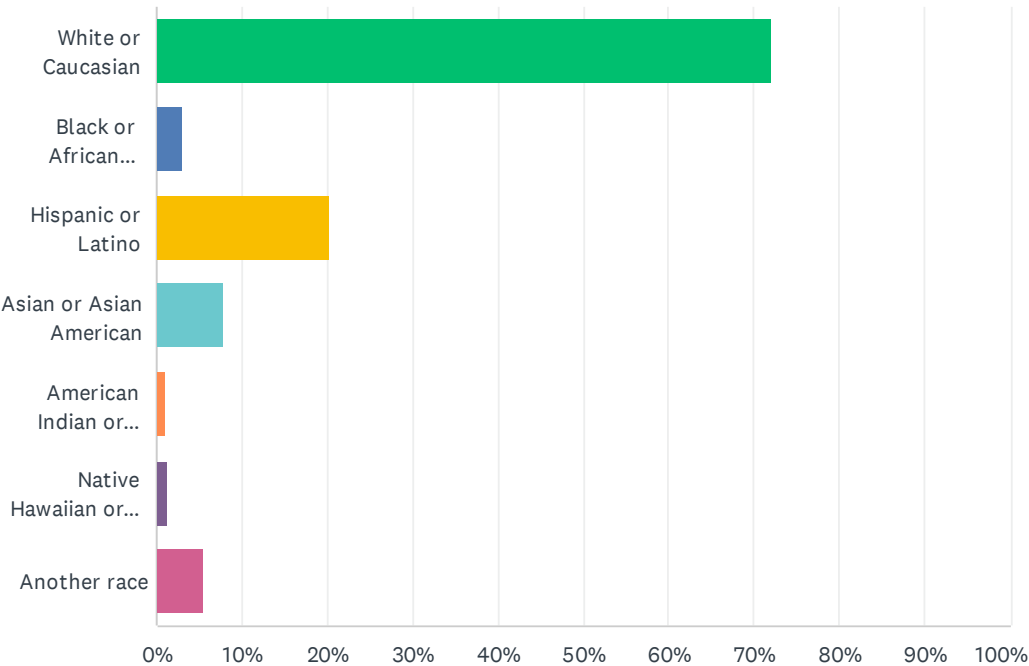
Answered: 301 Skipped: 0



ANSWER CHOICES	RESPONSES	
Less than \$34,800	4.98%	15
Between \$34,800 and \$57,999	12.62%	38
Between \$58,000 and \$65,650	2.99%	9
Between \$65,651 and \$82,449	9.97%	30
Between \$82,450 and \$109,400	8.31%	25
Between \$109,401 and \$127,099	6.64%	20
Between \$127,100 and \$155,450	10.30%	31
Between \$155,451 and \$239,650	19.93%	60
More than \$239,651	24.25%	73
TOTAL		301

Q10 Please specify your race/ethnicity (choose all that apply)

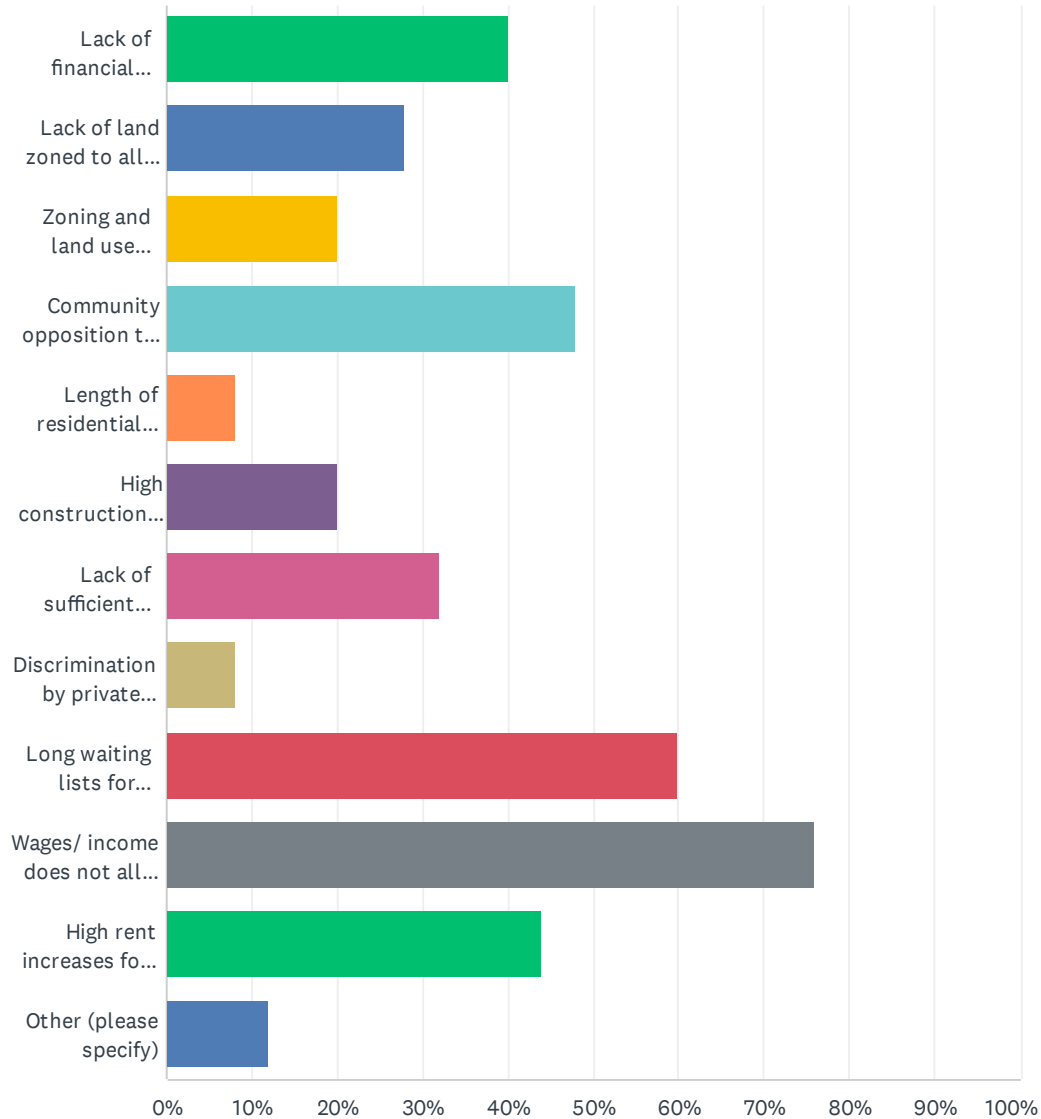
Answered: 301 Skipped: 0



ANSWER CHOICES	RESPONSES	
White or Caucasian	72.09%	217
Black or African American	2.99%	9
Hispanic or Latino	20.27%	61
Asian or Asian American	7.97%	24
American Indian or Alaska Native	1.00%	3
Native Hawaiian or other Pacific Islander	1.33%	4
Another race	5.65%	17
Total Respondents: 301		

Q1 What do you consider to be the most significant barriers in Morgan Hill and the broader region to people with protected characteristics accessing decent, safe, affordable housing that connects them with a broad range of opportunities?

Answered: 25 Skipped: 0



Morgan Hill Assessment of Fair Housing (AFH) Stakeholder Questionnaire

ANSWER CHOICES	RESPONSES	
Lack of financial resources for the development of affordable housing	40.00%	10
Lack of land zoned to allow multi-family housing	28.00%	7
Zoning and land use regulations that make affordable housing infeasible	20.00%	5
Community opposition to affordable housing	48.00%	12
Length of residential development approval processes	8.00%	2
High construction costs (labor and material)	20.00%	5
Lack of sufficient supportive services for residents of affordable housing	32.00%	8
Discrimination by private landlords	8.00%	2
Long waiting lists for affordable housing and for Housing Choice Vouchers (shortage of housing that is affordable) or lack of supply	60.00%	15
Wages/ income does not allow one to pay the high cost of rent for jobs worked by low-income individuals	76.00%	19
High rent increases for tenants in market-rate housing	44.00%	11
Other (please specify)	12.00%	3
Total Respondents: 25		

#	OTHER (PLEASE SPECIFY)	DATE
1	Lack of ELI housing.	3/16/2022 3:26 PM
2	There is centralized hub for low-income residents like a one stop, where folks can find supportive services, resources, housing prevention services for our marginalized low income residents	3/16/2022 2:12 PM
3	The facilities on the list are income restricted but not necessarily affordable (having to pay 2/3 of your income to pay the rent for a senior facility): https://www.morgan-hill.ca.gov/DocumentCenter/View/19598/Housing-Resource-Guide-Updated-08-20-2021?bidId=	3/16/2022 12:55 PM

Q2 How have those barriers affected your organization's ability to carry out its mission?

Answered: 23 Skipped: 2

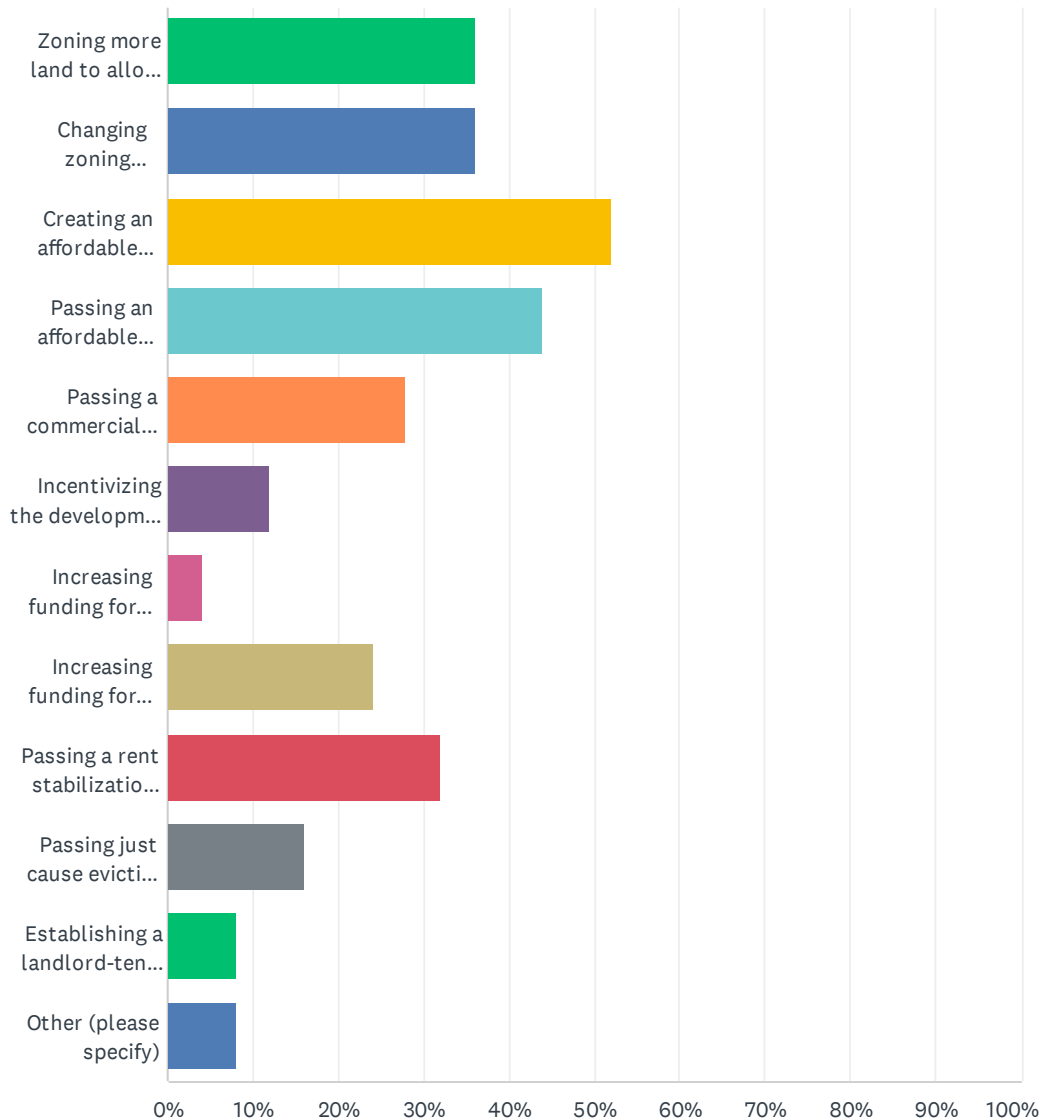
#	RESPONSES	DATE
1	The combination of land, resources, and political will is critical to making affordable housing happen. If any of those pillars are weak, housing is delayed or not built at all.	3/17/2022 2:57 PM
2	The combination of land, resources, and political will is critical to making affordable housing happen. If any of those pillars are weak, housing is delayed or not built at all.	3/17/2022 10:24 AM
3	We can't recruit staff, we can't serve vulnerable families	3/16/2022 9:04 PM
4	You can't begin to solve homelessness without ELI housing.	3/16/2022 3:26 PM
5	We have not been able to secure City of Gilroy approval for a facility that would offer services to the homeless in South County.	3/16/2022 2:34 PM
6	We need the State to take a bigger commitment on affordable housing and housing prices throughout the state and specifically in our area is out of control. They need to provide more funding for affordable housing and education for it; more tax incentives for it's building, etc.	3/16/2022 2:30 PM
7	If we had a place to provide supportive services such as (Homeless housing prevention services, homeless services, resources and navigation services to address the barriers) to the community. We can establish an office at the Centennial Recreation Center or Morgan Hill Community & Cultural Center, we at CARAS could provide more services to the community. In my opinion, Morgan Hill Community Center is under-utilized. Every City north of us they have multiple centers and supportive services that provide needed assistance to those in need and the homeless population. If Morgan Hill wants to stay a vibrant place to live, we need to be planning and offering a comprehensive one stop shop, we at CARAS are more than open to discuss options and when we can get funding. Morgan Hill can apply for federal funding and request American Rescue Plan funding from Santa Clara County who has or will receive 362 million dollars. We can request in partnership with Morgan Hill for these funds and get approval for move some funding to be allocated to other needs for the community and those impacted by covid-19	3/16/2022 2:12 PM
8	Population work 2or more jobs to meet expenses, resulting in children alone at home	3/16/2022 2:11 PM
9	These barriers affect the quantity and quality of resources for affordable housing. Therefore limiting our abilities, to ensure that all have equal opportunities to enhance their quality of life. The lack of adequate funding, to meet the growing needs of our homeless population and or individuals/families at risk of losing their housing, is casually overlooked. As most of the resources provided to this population comes from independent non-profit organizations. South County has the highest homeless rate capita in Santa Clara County.	3/16/2022 1:49 PM
10	They have delayed our ability to advance housing developments in the pipeline.	3/16/2022 1:27 PM
11	Displacement creates resource allocation and opportunities even more difficult when aiming to serve our population	3/16/2022 1:22 PM
12	Yes, to make them self-sufficient.	3/16/2022 1:19 PM
13	Not having affordable housing has brought our organization to have more homeless and people in need of a roof over there head.	3/16/2022 1:09 PM
14	Clients are constantly moving or becoming homeless. This causes loss of contact and eventually causing cases to discontinue.	3/16/2022 1:06 PM
15	We have many clients who are unhoused or have significant challenges sustaining safe and stable housing.	3/16/2022 1:01 PM
16	unable to guide family into affordable housing	3/16/2022 12:58 PM

Morgan Hill Assessment of Fair Housing (AFH) Stakeholder Questionnaire

17	Those with unstable housing are hard to contact, so they do not get access to their health services and benefits	3/16/2022 12:57 PM
18	few options we can recommend	3/16/2022 12:55 PM
19	Community Opposition, as a backdrop to affordable housing, colors every housing issue. It pressures elected officials to act in ways that run counter to housing goals, and places stress on staff. Political will is an easy term to throw around, but if there isn't a concerted effort to craft "messaging" around the realities of the regulatory climate and the planned effort going forward, then it's hard for elected officials to survive and be supportive. Beyond messaging, there needs to be a sophisticated effort to aggregate local demand and highlight stories of need, impact, and the benefit of affordable housing.	3/16/2022 12:53 PM
20	Increased costs. Increased time to complete developments. Narrowed location options. Reduced numbers of units available.	3/14/2022 12:58 PM
21	There is not enough immediate housing (safe shelter) options for the communities experiencing homelessness. Also, those who have been recently released from incarceration and/or have a criminal background are still being discriminated against in the competitive rental market.	3/14/2022 12:12 PM
22	I work primarily with students attending local community colleges. Typically students facing housing barriers are unable to identify affordable housing within the county including room rentals of sorts. In my experience students also need more wrap around services as many are in the county without family or other support networks.	3/14/2022 11:56 AM
23	there is not enough affordable housing supply so you can provide support and service at the cbo level but that can only do so much if there is nowhere for them to live at the end of the day	3/14/2022 11:34 AM

Q3 What are the top three steps that you think the City of Morgan Hill should take in order to address the barriers to accessing decent, safe, affordable housing? (Please select exactly 3 choices)

Answered: 25 Skipped: 0



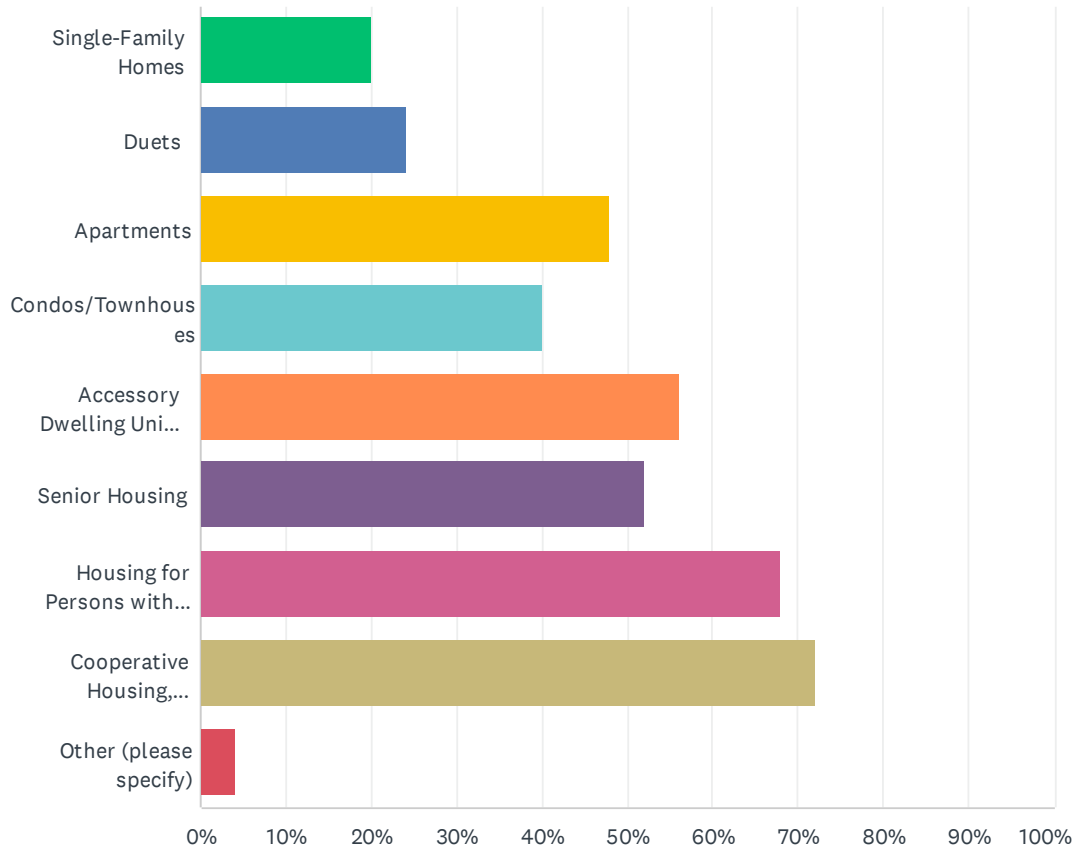
Morgan Hill Assessment of Fair Housing (AFH) Stakeholder Questionnaire

ANSWER CHOICES	RESPONSES	
Zoning more land to allow multi-family rental housing which is typically less expensive than renting a single-family home	36.00%	9
Changing zoning regulations for multi-family districts to enhance feasibility of increasing affordable housing development	36.00%	9
Creating an affordable housing overlay district to enhance feasibility for the purpose of increasing affordable housing development	52.00%	13
Passing an affordable housing bond issue which will provide funding to construct multi-family rental housing	44.00%	11
Passing a commercial linkage fee ordinance which will require new businesses to fund or construct affordable housing	28.00%	7
Incentivizing the development of Accessory Dwelling Units (ADUs) subject to income restrictions	12.00%	3
Increasing funding for landlord-tenant legal services	4.00%	1
Increasing funding for fair housing education, outreach, and enforcement, including fair housing testing	24.00%	6
Passing a rent stabilization ordinance	32.00%	8
Passing just cause eviction protections	16.00%	4
Establishing a landlord-tenant mediation process	8.00%	2
Other (please specify)	8.00%	2
Total Respondents: 25		

#	OTHER (PLEASE SPECIFY)	DATE
1	Calculate how many ELI rental units you need in Morgan Hill.	3/16/2022 3:26 PM
2	There's already a ton of development causing Morgan Hill to have increased traffic and little green space so further development seems like a poor idea	3/16/2022 12:55 PM

Q4 What types of housing would be a good addition to Morgan Hill's housing? (choose all that apply)

Answered: 25 Skipped: 0



ANSWER CHOICES		RESPONSES	
Single-Family Homes		20.00%	5
Duets		24.00%	6
Apartments		48.00%	12
Condos/Townhouses		40.00%	10
Accessory Dwelling Units (granny flats, in-law units, secondary units, tiny homes, etc.)		56.00%	14
Senior Housing		52.00%	13
Housing for Persons with Disabilities		68.00%	17
Cooperative Housing, Intergenerational, or Foster Family Housing		72.00%	18
Other (please specify)		4.00%	1
Total Respondents: 25			

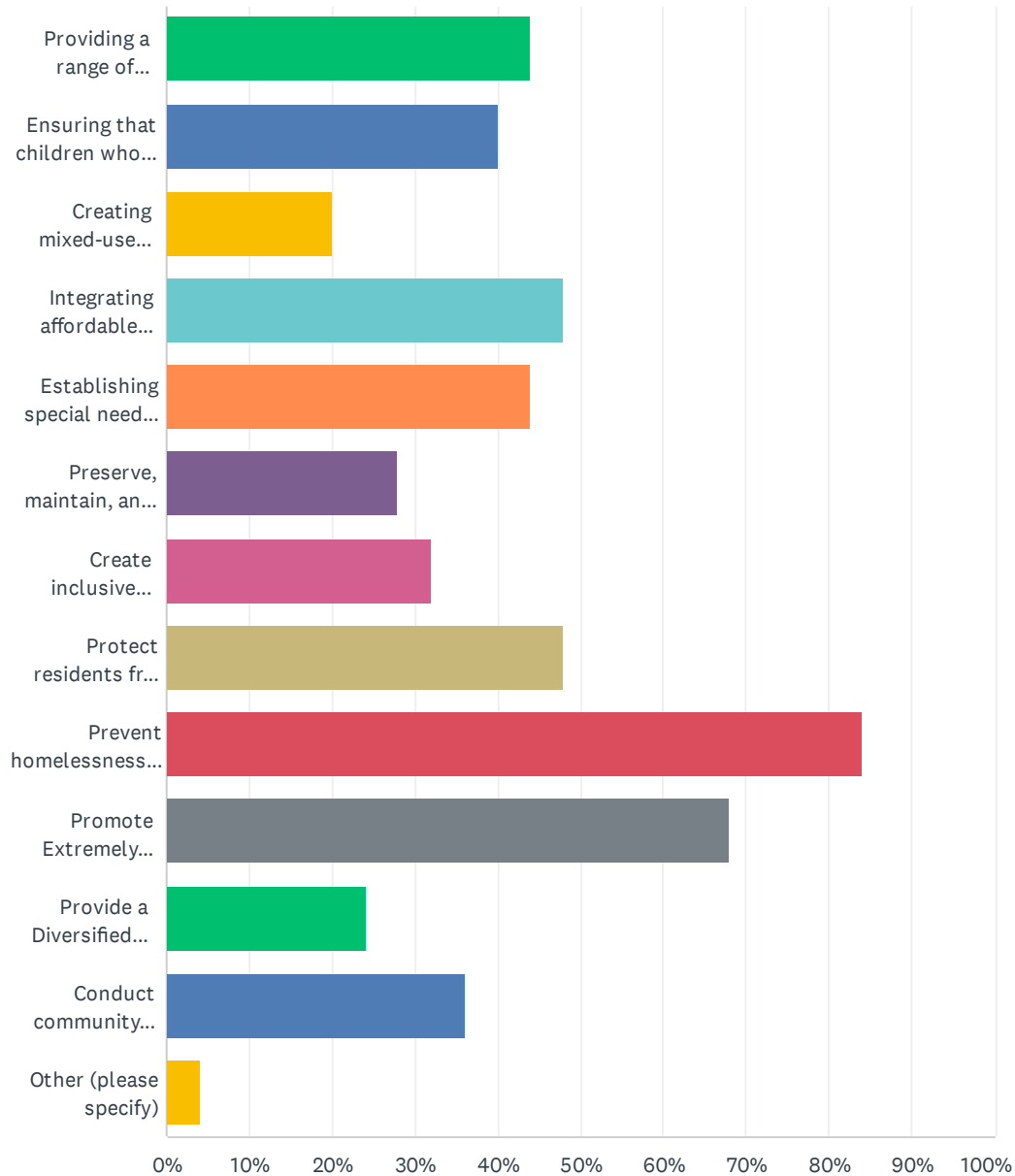
#	OTHER (PLEASE SPECIFY)	DATE
---	------------------------	------

Morgan Hill Assessment of Fair Housing (AFH) Stakeholder Questionnaire

1	A good addition would be to add what you need. Tell me what you need and I can tell you what would be a good addition.	3/16/2022 3:26 PM
---	--	-------------------

Q5 Please indicate which of the following housing priorities are most important for Morgan Hill.

Answered: 25 Skipped: 0



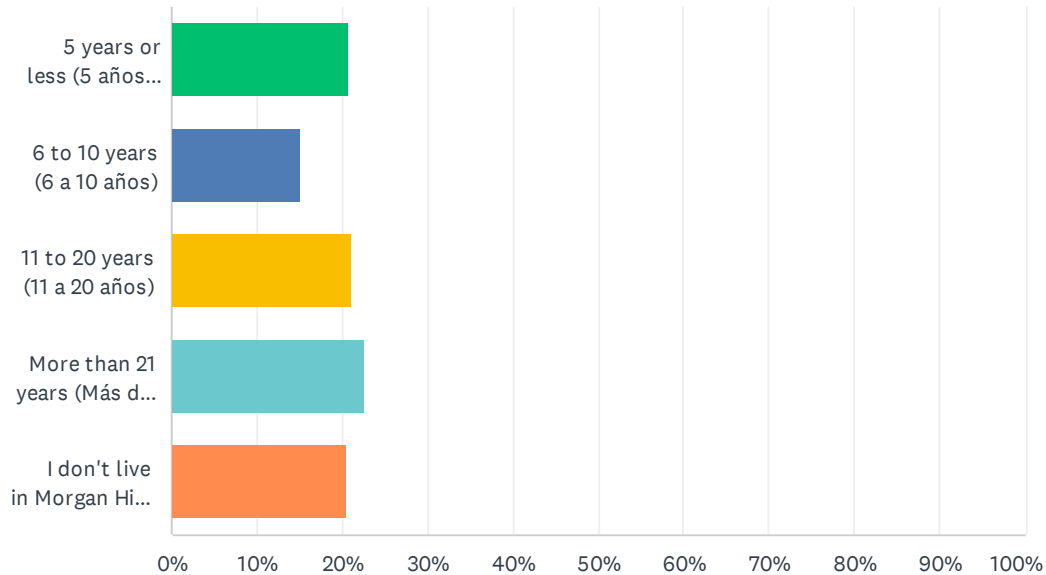
Morgan Hill Assessment of Fair Housing (AFH) Stakeholder Questionnaire

ANSWER CHOICES	RESPONSES	
Providing a range of housing opportunities affordable to Morgan Hill workforce	44.00%	11
Ensuring that children who grew up in Morgan Hill have housing options so they can live in Morgan Hill as adults	40.00%	10
Creating mixed-use (commercial/office and residential) projects that encourage walkable neighborhoods and reduce tendency on automobiles	20.00%	5
Integrating affordable housing throughout the community to create mixed-income neighborhoods avoiding concentrations in any one neighborhood	48.00%	12
Establishing special needs housing for seniors, persons with disabilities, and/or veterans	44.00%	11
Preserve, maintain, and rehabilitate existing housing to ensure neighborhood livability and promote continued housing affordability	28.00%	7
Create inclusive neighborhoods, connecting residents to jobs, schools, and services	32.00%	8
Protect residents from displacement by economic pressures by keeping people in their homes/communities	48.00%	12
Prevent homelessness and address the housing needs of people experiencing homelessness	84.00%	21
Promote Extremely Low-Income (ELI) Housing (affordable housing for households making less than 30% of the Area Median Income)	68.00%	17
Provide a Diversified Housing Stock in Morgan Hill	24.00%	6
Conduct community education/outreach to inform residents about affordable housing and how to seek assistance	36.00%	9
Other (please specify)	4.00%	1
Total Respondents: 25		

#	OTHER (PLEASE SPECIFY)	DATE
1	provide higher wage employment opportunities	3/16/2022 2:37 PM

Q1 About how long have you lived in Morgan Hill? (¿Cuánto tiempo hace que vive en Morgan Hill?)

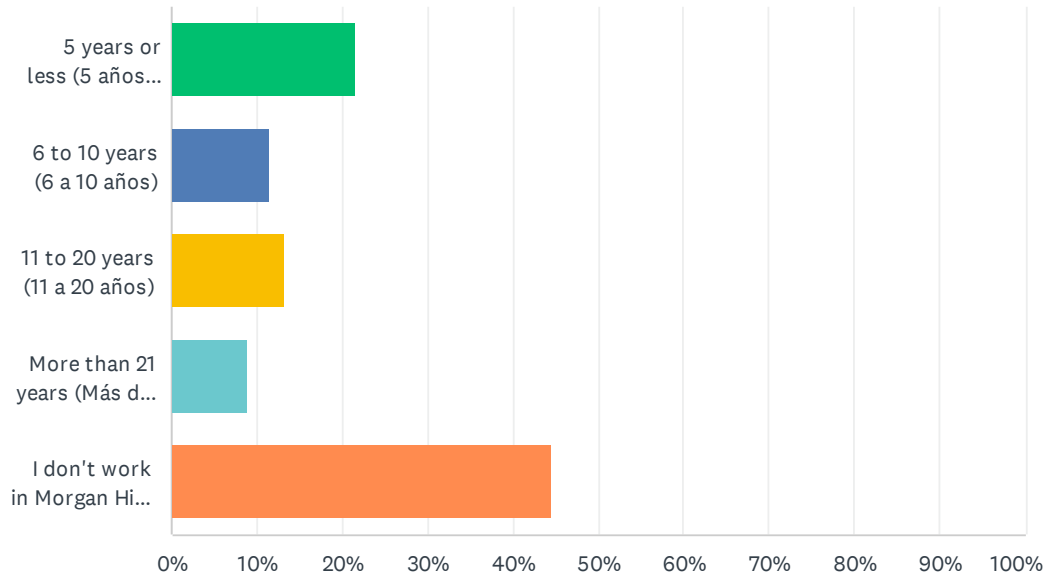
Answered: 648 Skipped: 3



ANSWER CHOICES	RESPONSES	
5 years or less (5 años o menos)	20.68%	134
6 to 10 years (6 a 10 años)	15.12%	98
11 to 20 years (11 a 20 años)	21.14%	137
More than 21 years (Más de 21 años)	22.69%	147
I don't live in Morgan Hill (Yo no vivo en Morgan Hill)	20.37%	132
TOTAL		648

Q2 How long have you worked in Morgan Hill? (¿Cuánto tiempo ha trabajado en Morgan Hill?)

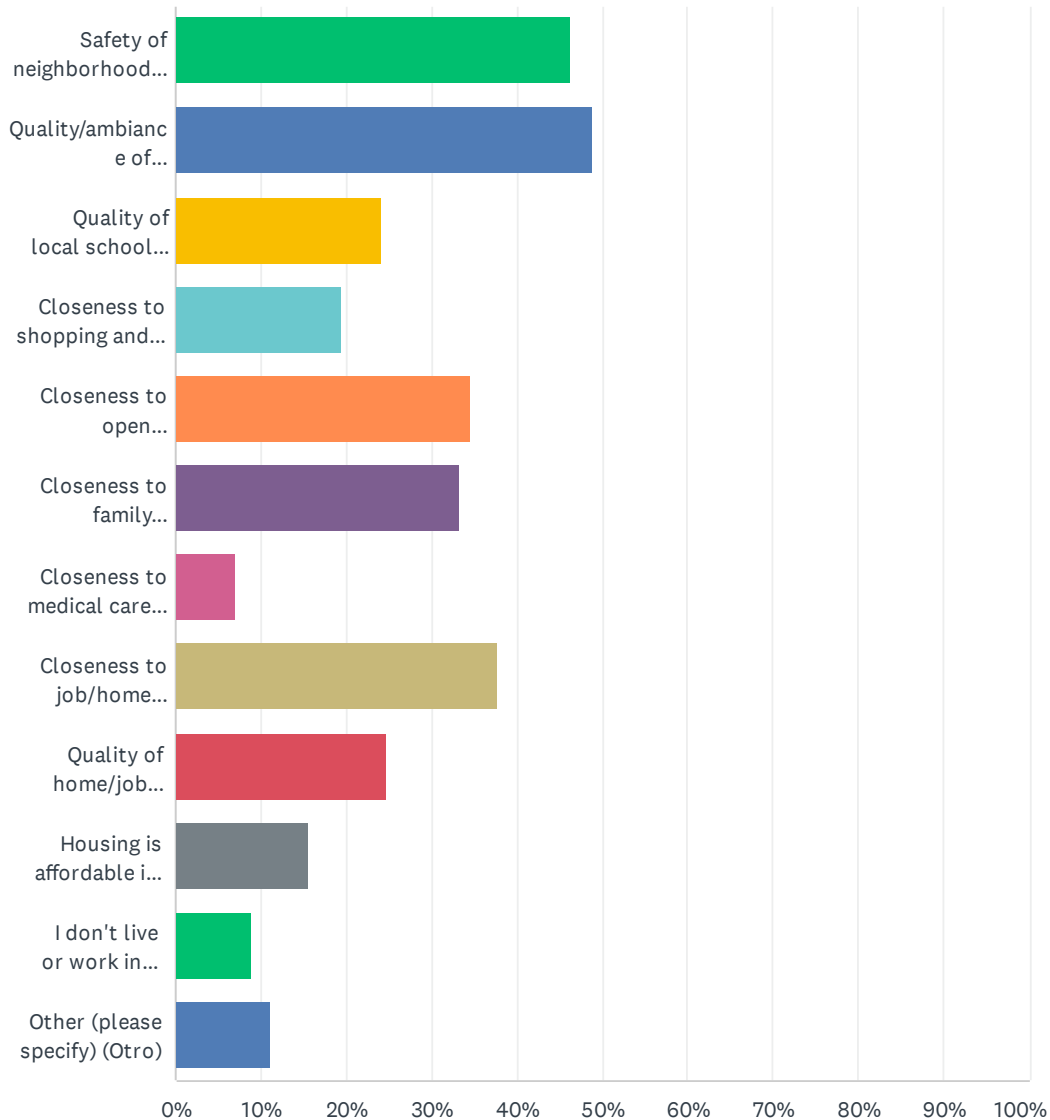
Answered: 647 Skipped: 4



ANSWER CHOICES	RESPONSES	
5 years or less (5 años o menos)	21.64%	140
6 to 10 years (6 a 10 años)	11.44%	74
11 to 20 years (11 a 20 años)	13.29%	86
More than 21 years (Más de 21 años)	8.96%	58
I don't work in Morgan Hill (Yo no trabajo en Morgan Hill)	44.67%	289
TOTAL		647

Q3 Select the reason(s) why you live or work in Morgan Hill. (Seleccione las razones por las que vive o trabaja en Morgan Hill.)

Answered: 645 Skipped: 6

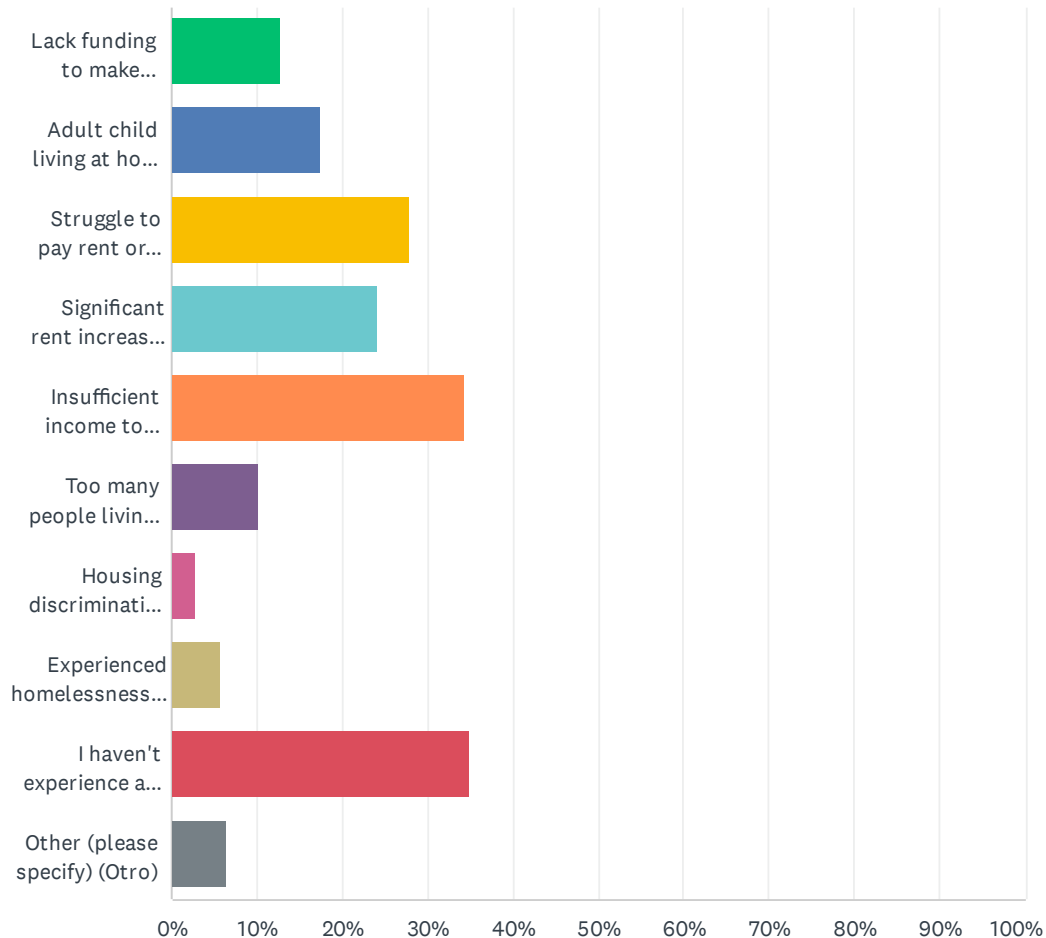


Morgan Hill Assessment of Fair Housing (AFH) Questionnaire

ANSWER CHOICES	RESPONSES	
Safety of neighborhood (seguridad del vecindario)	46.36%	299
Quality/ambiance of neighborhood (Calidad/ambiente del vecindario)	48.84%	315
Quality of local school system (Calidad del sistema escolar local)	24.19%	156
Closeness to shopping and services (Cercanía a tiendas y servicios)	19.38%	125
Closeness to open space/recreational areas (Cercanía a espacios abiertos/áreas recreativas)	34.57%	223
Closeness to family (Cercanía a la familia)	33.33%	215
Closeness to medical care (Cercanía a la atención médica)	7.13%	46
Closeness to job/home (Cercanía al trabajo/hogar)	37.67%	243
Quality of home/job (Calidad del hogar/trabajo)	24.81%	160
Housing is affordable in Morgan Hill (La vivienda es accesible en Morgan Hill)	15.50%	100
I don't live or work in Morgan Hill (No vivo o trabajo en Morgan Hill)	8.99%	58
Other (please specify) (Otro)	11.01%	71
Total Respondents: 645		

Q4 Within the past two years, have you experienced any of the following housing issues? (select all that apply) (En los últimos dos años, ¿ha experimentado alguno de los siguientes problemas de vivienda? (seleccione todas las que correspondan))

Answered: 636 Skipped: 15

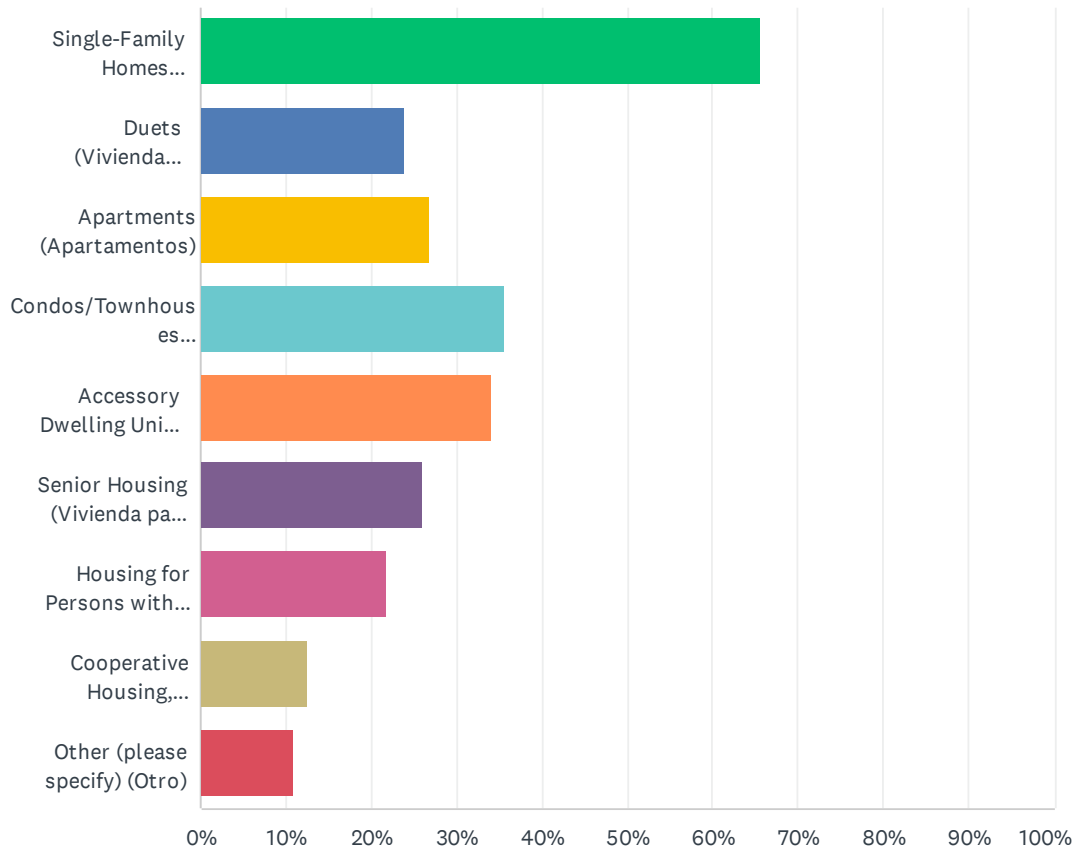


Morgan Hill Assessment of Fair Housing (AFH) Questionnaire

ANSWER CHOICES	RESPONSES	
Lack funding to make necessary home repairs (Falta de fondos para hacer las reparaciones necesarias en el hogar)	12.89%	82
Adult child living at home due to inability to afford housing (Hijo adulto que vive en el hogar debido a la incapacidad de pagar una vivienda)	17.45%	111
Struggle to pay rent or mortgage (Lucha para pagar la renta o préstamo de casa)	27.83%	177
Significant rent increase (Aumento significativo de la renta)	24.06%	153
Insufficient income to afford living in Morgan Hill (Ingresos insuficientes para vivir en Morgan Hill)	34.43%	219
Too many people living in one home (overcrowding) (Demasiadas personas viviendo en una casa (superpoblación))	10.22%	65
Housing discrimination (Discriminación en vivienda)	2.83%	18
Experienced homelessness (Experiencia sin hogar)	5.66%	36
I haven't experience any housing issues (No he experimentado ningún problema de vivienda)	35.06%	223
Other (please specify) (Otro)	6.45%	41
Total Respondents: 636		

Q5 What types of housing would be a good addition to Morgan Hill's housing? (choose all that apply) (¿Qué tipo de vivienda sería una buena adición a la vivienda de Morgan Hill? (elija todo lo que corresponda))

Answered: 635 Skipped: 16

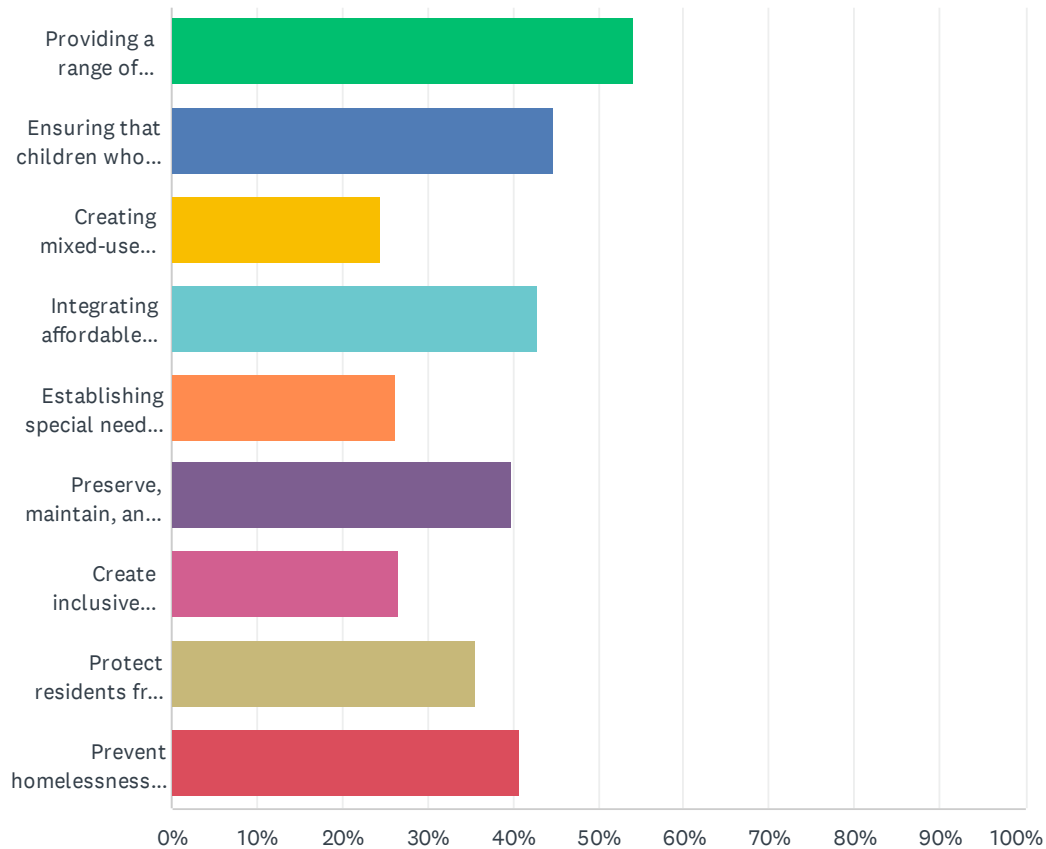


Morgan Hill Assessment of Fair Housing (AFH) Questionnaire

ANSWER CHOICES	RESPONSES	
Single-Family Homes (Viviendas Unifamiliares Aislada)	65.67%	417
Duets (Vivienda Unifamiliar Pareada)	23.78%	151
Apartments (Apartamentos)	26.77%	170
Condos/Townhouses (Condominios/Casas Adosadas)	35.59%	226
Accessory Dwelling Units (granny flats, in-law units, secondary units, tiny homes, etc.) (Unidades de vivienda accesoría (pisos de abuela, unidades para suegros, unidades secundarias, casas pequeñas, etc.))	34.02%	216
Senior Housing (Vivienda para personas mayores)	25.98%	165
Housing for Persons with Disabilities (Vivienda para Personas con Discapacidad)	21.73%	138
Cooperative Housing, Intergenerational, or Foster Family Housing (Vivienda cooperativa, intergeneracional o viviendas de familia adpotivas)	12.60%	80
Other (please specify) (Otro)	10.87%	69
Total Respondents: 635		

Q6 Please indicate which of the following housing priorities are most important for Morgan Hill. (Indique cuáles de las siguientes prioridades de vivienda son las más importantes para Morgan Hill)

Answered: 635 Skipped: 16

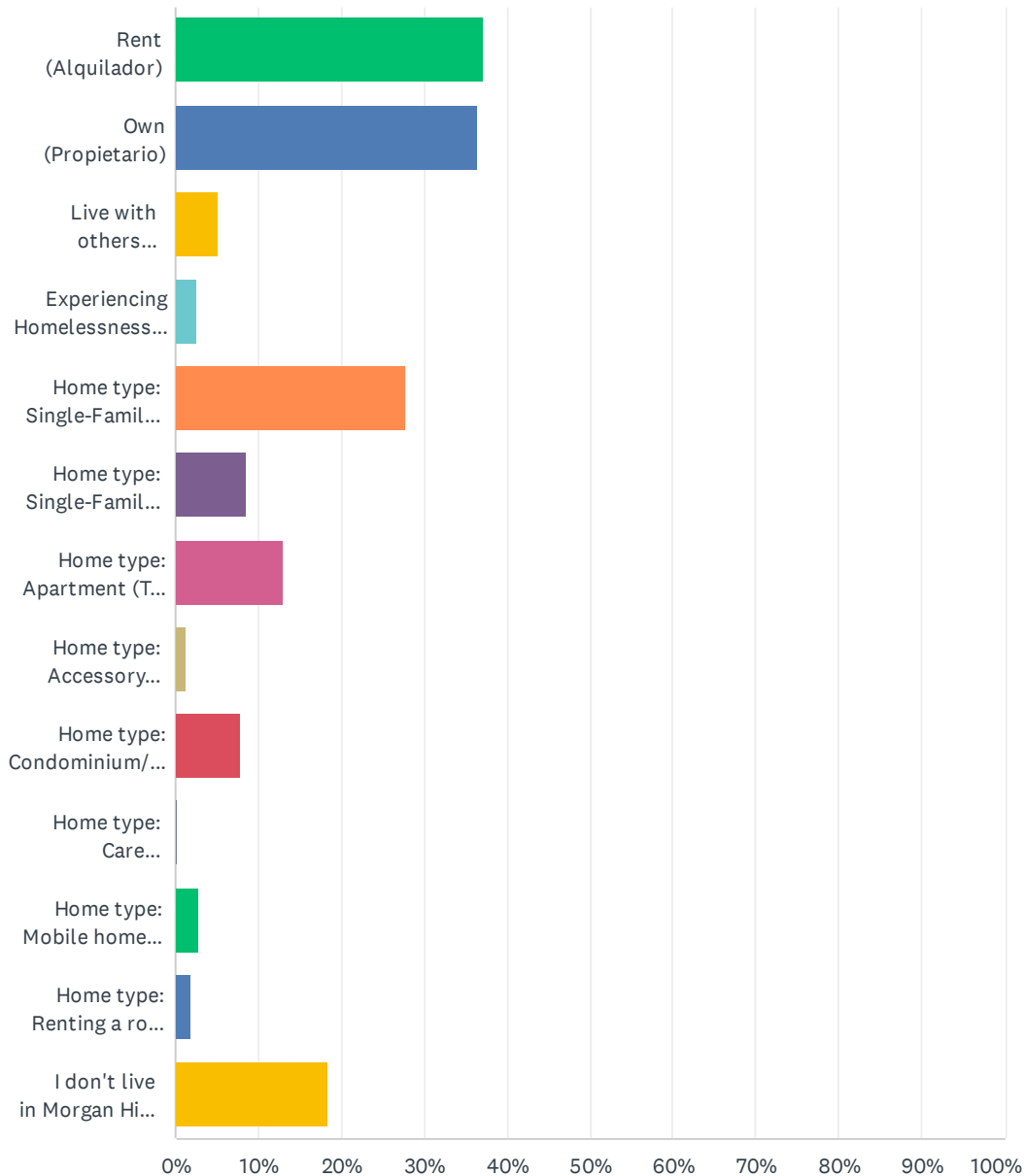


Morgan Hill Assessment of Fair Housing (AFH) Questionnaire

ANSWER CHOICES	RESPONSES	
Providing a range of housing opportunities affordable to Morgan Hill workforce (Brindar una variedad de oportunidades de vivienda accesible para la fuerza laboral de Morgan Hill)	54.17%	344
Ensuring that children who grew up in Morgan Hill have housing options so they can live in Morgan Hill as adults (Garantizar que los niños que crecieron en Morgan Hill tengan opciones de vivienda para que puedan vivir en Morgan Hill como adultos)	44.72%	284
Creating mixed-use (commercial/office and residential) projects that encourage walkable neighborhoods and reduce tendency on automobiles (Crear proyectos de uso mixto (comercial/oficina y residencial) que fomenten vecindarios transitables y reduzcan la tendencia a los automóviles)	24.57%	156
Integrating affordable housing throughout the community to create mixed-income neighborhoods avoiding concentrations in any one neighborhood (Integrar viviendas accesible en toda la comunidad para crear vecindarios de ingresos mixtos evitando concentraciones en un solo vecindario)	42.83%	272
Establishing special needs housing for seniors, persons with disabilities, and/or veterans (Establecimiento de viviendas con necesidades especiales para personas mayores, personas con discapacidades y/o veteranos)	26.14%	166
Preserve, maintain, and rehabilitate existing housing to ensure neighborhood livability and promote continued housing affordability (Preservar, mantener y rehabilitar las viviendas existentes para garantizar la habitabilidad del vecindario y continuar promoviendo la accesibilidad de viviendas)	39.84%	253
Create inclusive neighborhoods, connecting residents to jobs, schools, and services (Crear vecindarios inclusivos, conectando a los residentes con trabajos, escuelas y servicios)	26.61%	169
Protect residents from displacement by economic pressures by keeping people in their homes/communities (Proteger a los residentes del desplazamiento por presiones económicas manteniendo a las personas en sus hogares/comunidades)	35.59%	226
Prevent homelessness and address the housing needs of people experiencing homelessness (Prevenir la falta de vivienda y abordar las necesidades de vivienda de las personas sin hogar)	40.63%	258
Total Respondents: 635		

Q7 If you live in Morgan Hill, what best describes your current home?
(Please indicate if you rent or own and the type of home you live in) (Si
vive en Morgan Hill, ¿qué describe mejor su hogar actual? (Indique si es
propietario o alquilador y el tipo de vivienda en la que vive))

Answered: 641 Skipped: 10

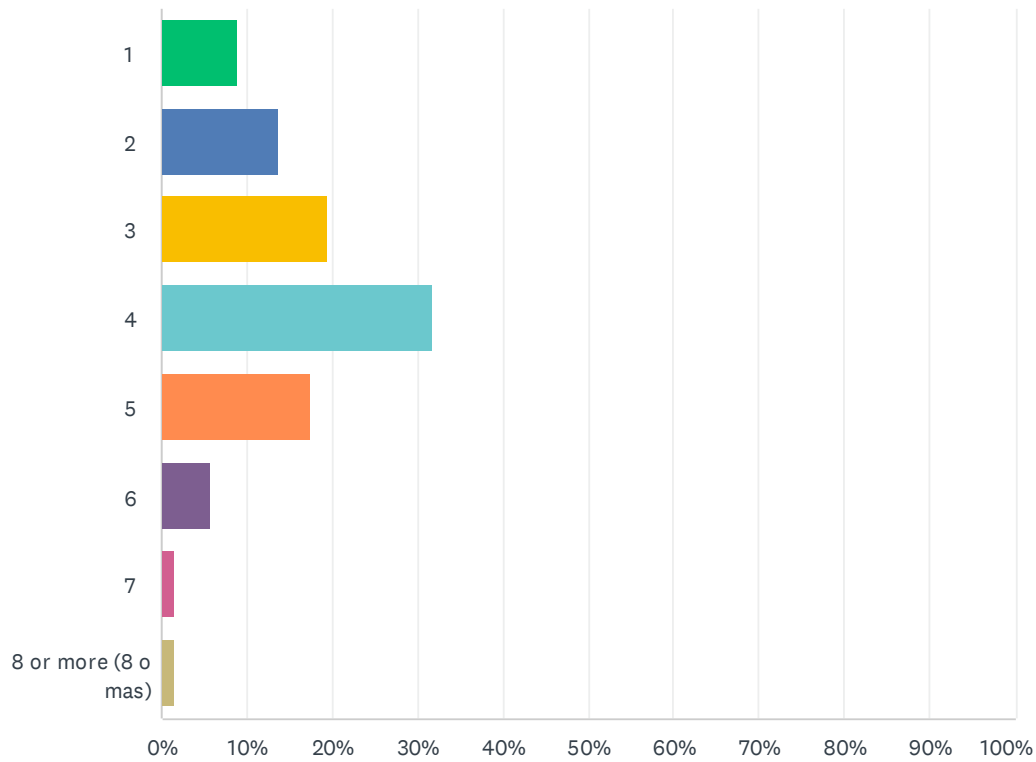


Morgan Hill Assessment of Fair Housing (AFH) Questionnaire

ANSWER CHOICES	RESPONSES	
Rent (Alquilador)	37.13%	238
Own (Propietario)	36.51%	234
Live with others (family/friends) with no rent (Vive con otros (familiares/amigos) sin renta)	5.15%	33
Experiencing Homelessness (Sin hogar)	2.65%	17
Home type: Single-Family Detached House (Tipo de vivienda: Vivienda Unifamiliar Aislada)	27.77%	178
Home type: Single-Family Attached House (Tipo de vivienda: Vivienda Unifamiliar Pareada)	8.42%	54
Home type: Apartment (Tipo de vivienda: Apartamento)	13.10%	84
Home type: Accessory Dwelling Unit (Tipo de vivienda: Unidad de Vivienda Accesorio)	1.25%	8
Home type: Condominium/Townhome (Tipo de casa: Condominio/Casa adosada)	7.80%	50
Home type: Care Facility/Assisted Living (Tipo de vivienda: Centro de atención/vivienda asistida)	0.16%	1
Home type: Mobile home (Tipo de vivienda: Casa móvil)	2.81%	18
Home type: Renting a room (Tipo de vivienda: Alquilar una habitación)	1.87%	12
I don't live in Morgan Hill (Yo no vivo en Morgan Hill)	18.41%	118
Total Respondents: 641		

Q8 What is your household size? (¿Cuál es el tamaño de su hogar?)

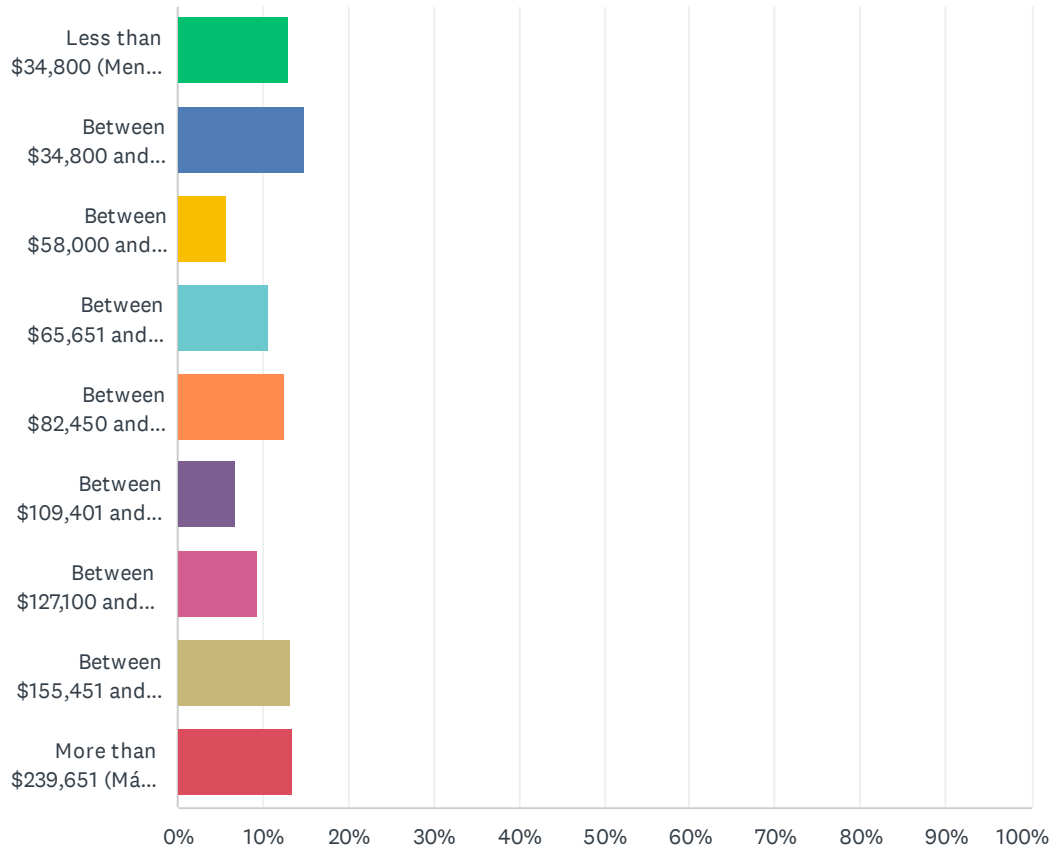
Answered: 642 Skipped: 9



ANSWER CHOICES	RESPONSES	
1	9.03%	58
2	13.71%	88
3	19.31%	124
4	31.78%	204
5	17.45%	112
6	5.76%	37
7	1.40%	9
8 or more (8 o mas)	1.56%	10
TOTAL		642

Q9 What is your annual household income range? (¿Cuál es el rango de ingresos anuales de su hogar?)

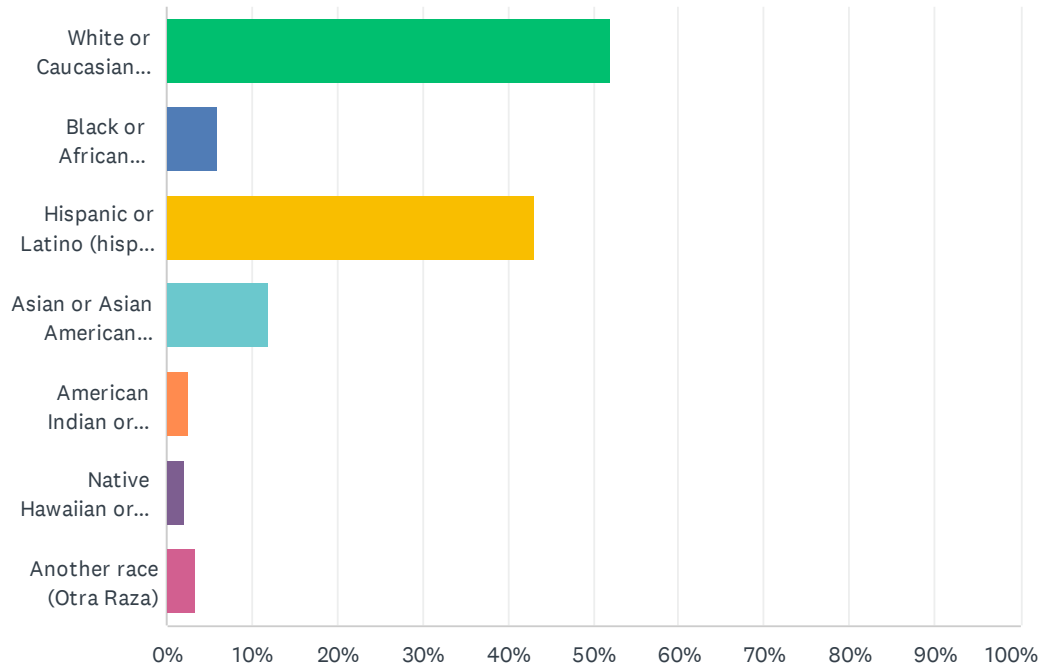
Answered: 633 Skipped: 18



ANSWER CHOICES	RESPONSES	
Less than \$34,800 (Menos de \$34,800)	13.11%	83
Between \$34,800 and \$57,999 (Entre \$34,800 y \$57,999)	14.85%	94
Between \$58,000 and \$65,650 (Entre \$58,000 y \$65,650)	5.85%	37
Between \$65,651 and \$82,449 (Entre \$65,651 y \$82,449)	10.74%	68
Between \$82,450 and \$109,400 (Entre \$82,450 y \$109,400)	12.48%	79
Between \$109,401 and \$127,099 (Entre \$109,401 y \$127,099)	6.79%	43
Between \$127,100 and \$155,450 (Entre \$127,100 y \$155,450)	9.48%	60
Between \$155,451 and \$239,650 (Entre \$155,451 y \$239,650)	13.27%	84
More than \$239,651 (Más de \$239,651)	13.43%	85
TOTAL		633

Q10 Please specify your race/ethnicity (choose all that apply) (Especifique su raza/origen étnico (elija todas las que correspondan))

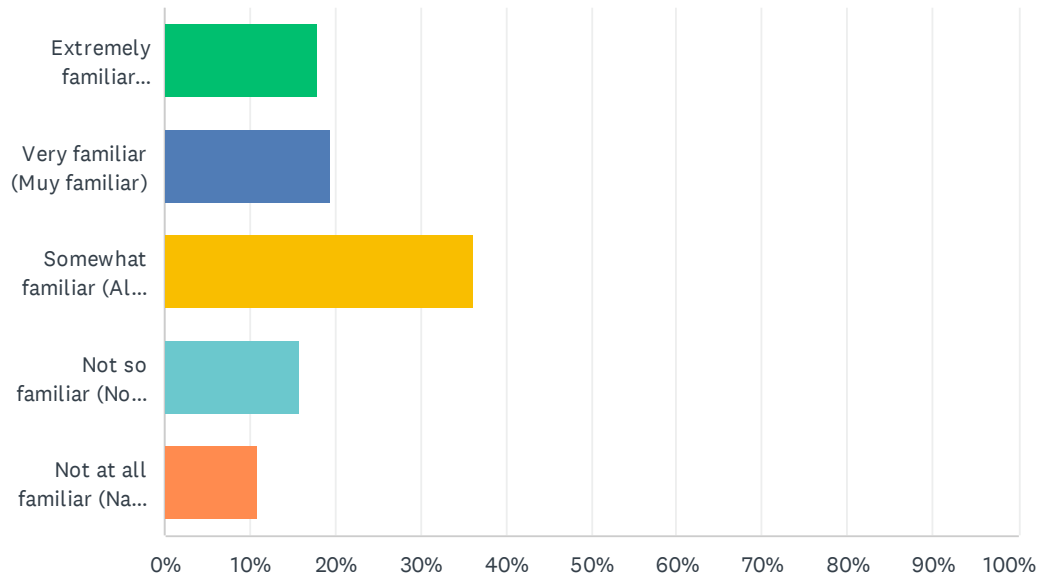
Answered: 636 Skipped: 15



ANSWER CHOICES	RESPONSES	
White or Caucasian (Blanco o caucásico)	52.04%	331
Black or African American (negro o afroamericano)	5.97%	38
Hispanic or Latino (hispano o latino)	43.08%	274
Asian or Asian American (asiático o asiático americano)	11.95%	76
American Indian or Alaska Native (Indio americano o nativo de Alaska)	2.52%	16
Native Hawaiian or other Pacific Islander (Nativo de Hawai u otra isla del Pacífico)	2.20%	14
Another race (Otra Raza)	3.46%	22
Total Respondents: 636		

Q11 How would you assess your understanding of your right to be free from housing discrimination? (¿Cómo evaluaría su entendimiento del derecho de ser libre de discriminación en la vivienda?)

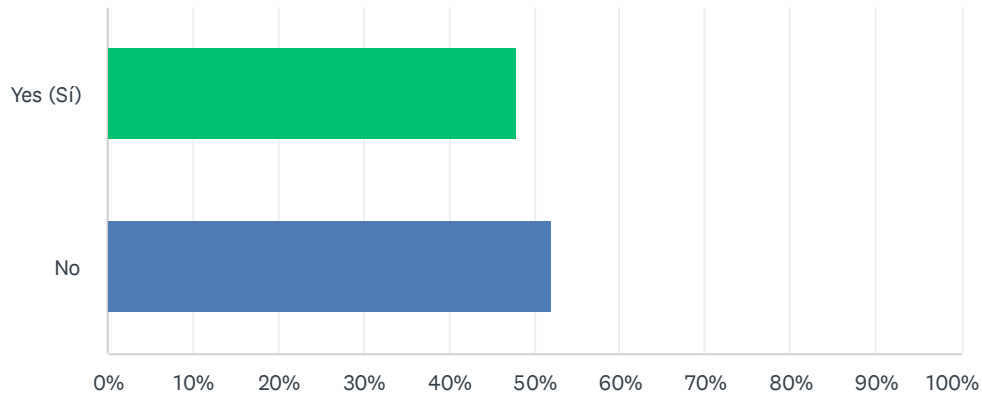
Answered: 637 Skipped: 14



ANSWER CHOICES	RESPONSES	
Extremely familiar (Extremadamente familiar)	17.90%	114
Very familiar (Muy familiar)	19.31%	123
Somewhat familiar (Algo familiar)	36.26%	231
Not so familiar (No tan familiar)	15.70%	100
Not at all familiar (Nada familiar)	10.83%	69
TOTAL		637

Q12 If you wanted more information about your fair housing rights, do you know where you would look? (Si quisiera más información sobre el derecho de vivienda justa, ¿sabría dónde buscar?)

Answered: 645 Skipped: 6



ANSWER CHOICES		RESPONSES
Yes (Sí)		47.91% 309
No		52.09% 336
TOTAL		645

Q13 If you answered yes to the previous question, where would you look for more information about your fair housing rights? (Si su respuesta es afirmativa a la pregunta anterior, ¿dónde buscaría más información sobre becas de vivienda justa?)

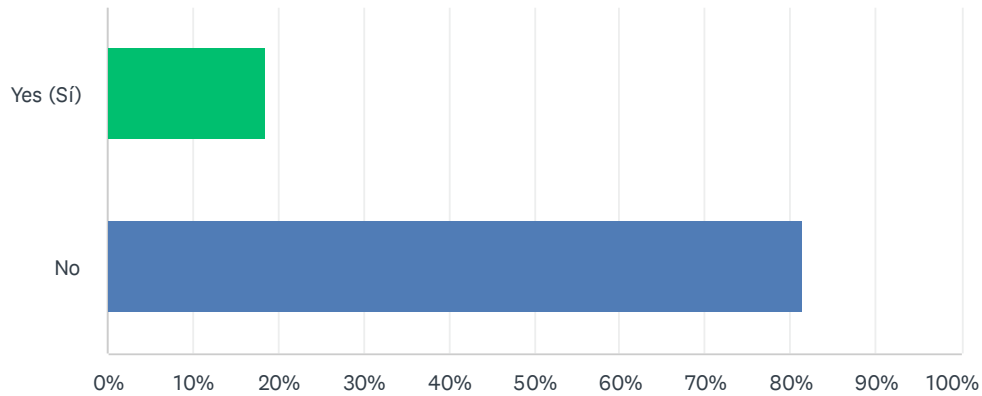
Answered: 229 Skipped: 422

Q13 If you answered yes to the previous question, where would you look for more information about your fair housing rights? (Si su respuesta es afirmativa a la pregunta anterior, ¿dónde buscaría más información sobre becas de vivienda justa?)

city county www.dfeh ca.gov Law Morgan Hill City Morgan Hill look housing
research city FEHA County Housing department HUD Library Online
Federal Google Fair Housing Act website MH
Internet City Hall State SCC fair housing go search Web
Housing Authority Project Sentinel California Government websites
resources Santa Clara county contact

**Q14 Have you or anyone you know experienced housing discrimination?
(¿Usted o alguien que conoce ha experimentado discriminación en la vivienda?)**

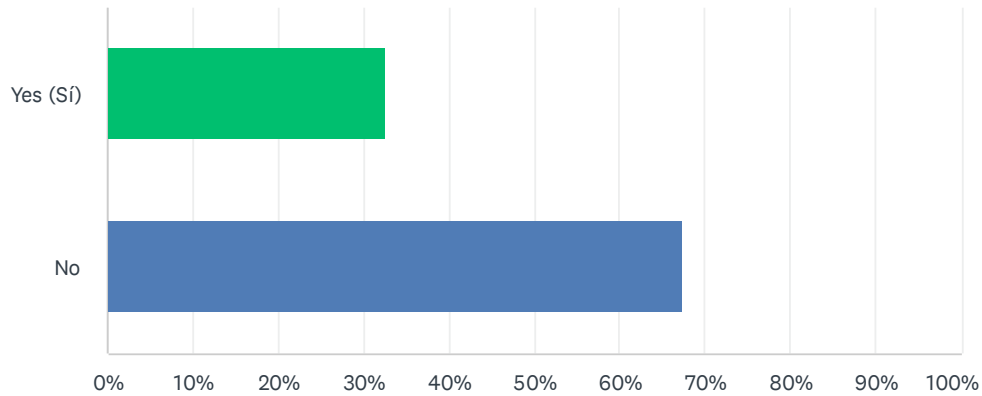
Answered: 618 Skipped: 33



ANSWER CHOICES	RESPONSES	
Yes (Sí)	18.61%	115
No	81.39%	503
TOTAL		618

Q15 If you were to experience housing discrimination, would you know where to turn for help? (Si a tenido experiencia de ámbito discriminatorio en la vivienda, ¿sabría a dónde acudir en busca de ayuda?)

Answered: 613 Skipped: 38



ANSWER CHOICES	RESPONSES	
Yes (Sí)	32.63%	200
No	67.37%	413
TOTAL		613

Q16 If you answered yes to the previous question, whom would you contact? (Si respondió afirmativamente a la pregunta anterior, ¿con quién se pondría en contacto?)

Answered: 146 Skipped: 505

Q16 If you answered yes to the previous question, whom would you contact? (Si respondió afirmativamente a la pregunta anterior, ¿con quién se pondría en contacto?)

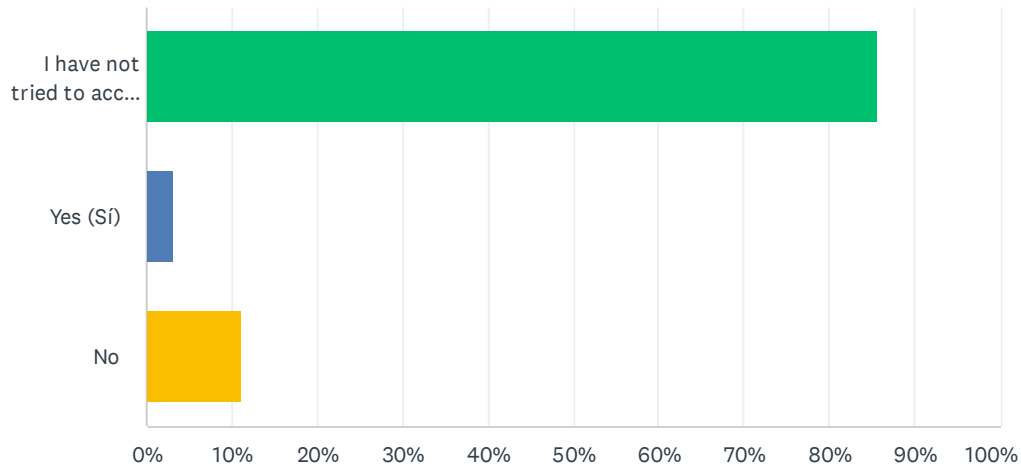


A word cloud of responses to the question 'whom would you contact?'. The words are in various shades of blue and are arranged in a non-uniform, overlapping manner. The most prominent words are 'housing authority', 'lawyer', 'city', 'fair housing', 'county', 'HUD', 'Google', 'attorney', 'contact', 'State', 'Housing', 'Department', 'Online', 'Project Sentinel', 'local', 'offices', 'Government agency', 'internet', 'websites', 'City Hall', 'DFEH', 'City Morgan Hill', 'Santa Clara County', 'Law', 'Morgan Hill', and 'HUD'.

Housing City Hall contact DFEH State City Morgan Hill attorney
Department housing authority websites lawyer
Online city Project Sentinel fair housing local
Google Law County Morgan Hill HUD Santa Clara County
offices Government agency internet

Q17 If you have tried to access help complaining about an instance of housing discrimination, were you able to get help? (Si ha intentado acceder a ayuda quejándose de un caso de discriminación en la vivienda, ¿pudo obtener ayuda?)

Answered: 591 Skipped: 60



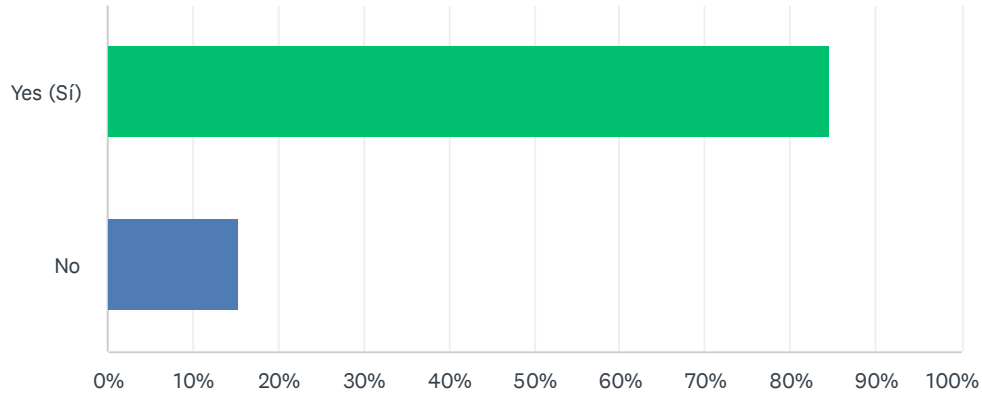
ANSWER CHOICES	RESPONSES	
I have not tried to access help complaining about an instance of housing discrimination (This question does not apply to me). (No he intentado acceder a algún tipo ayuda o exponer alguna queja por un caso de discriminación de vivienda (esta pregunta no aplica en mí caso)).	85.62%	506
Yes (Sí)	3.21%	19
No	11.17%	66
TOTAL		591

Q18 If you answered yes to the above question, how effective were the services you received? (Si su respuesta es afirmativa a la pregunta anterior, ¿qué tan efectivos fueron los servicios que recibió?)

Answered: 18 Skipped: 633

Q19 Are there areas in Morgan Hill and the broader region where it is especially hard to afford housing? (¿Hay áreas en Morgan Hill y sus alrededores en general donde es especialmente difícil pagar una vivienda?)

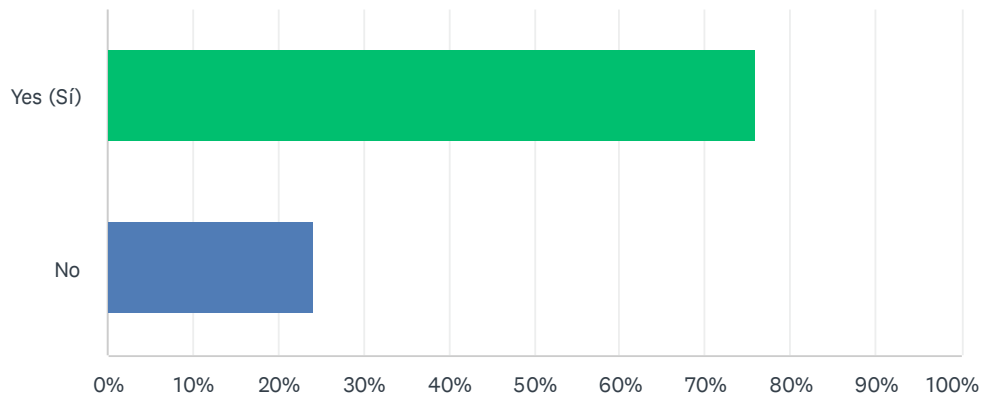
Answered: 581 Skipped: 70



ANSWER CHOICES	RESPONSES	
Yes (Sí)	84.68%	492
No	15.32%	89
TOTAL		581

Q20 If you answered yes to the previous question, are there amenities (public transit, schools, shopping, health care, etc.) in those places that would make them attractive places to live? (Si respondió sí a la pregunta anterior, ¿existen comodidades (transporte público, escuelas, centros comerciales, atención médica, etc.) en esos lugares, convirtiéndolos en lugares atractivos para vivir?)

Answered: 478 Skipped: 173



ANSWER CHOICES	RESPONSES	
Yes (Sí)	75.94%	363
No	24.06%	115
TOTAL		478

Q21 If you answered yes to the previous question, please list the amenities that make the area(s) an attractive place(s) to live. (Si respondió afirmativamente a la pregunta anterior, enumere las comodidades que hacen de la(s) zona(s) un lugar(es) atractivo(s) para vivir.)

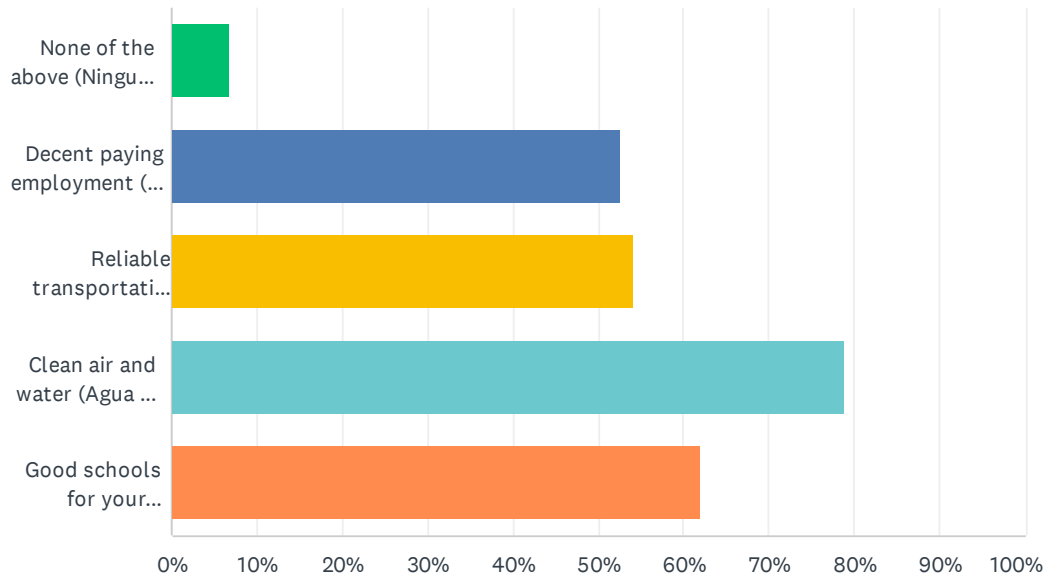
Answered: 247 Skipped: 404

Q21 If you answered yes to the previous question, please list the amenities that make the area(s) an attractive place(s) to live. (Si respondió afirmativamente a la pregunta anterior, enumere las comodidades que hacen de la(s) zona(s) un lugar(es) atractivo(s) para vivir.)

Quiet medical offices recreation great library tiendas public bike clean private space land
access activities bus Shopping medical Downtown available services retail
community etc stores walking open space nearby
transportation transit areas housing restaurants
shopping center schools safe neighborhoods parks Family
shopping gyms close jobs grocery stores options
neighborhoods quality good schools entertainment
public transportation work trails outdoor spaces safety
close downtown nice friendly safe escuelas grocery Medical good doctors
Public transit variety hospitals less traffic proximity health care freeway walkable

Q22 Based on where you currently live, are you able to obtain (select all that apply): (Basado en el lugar donde viva actualmente, ¿puede obtener (seleccione todo lo que corresponde):)

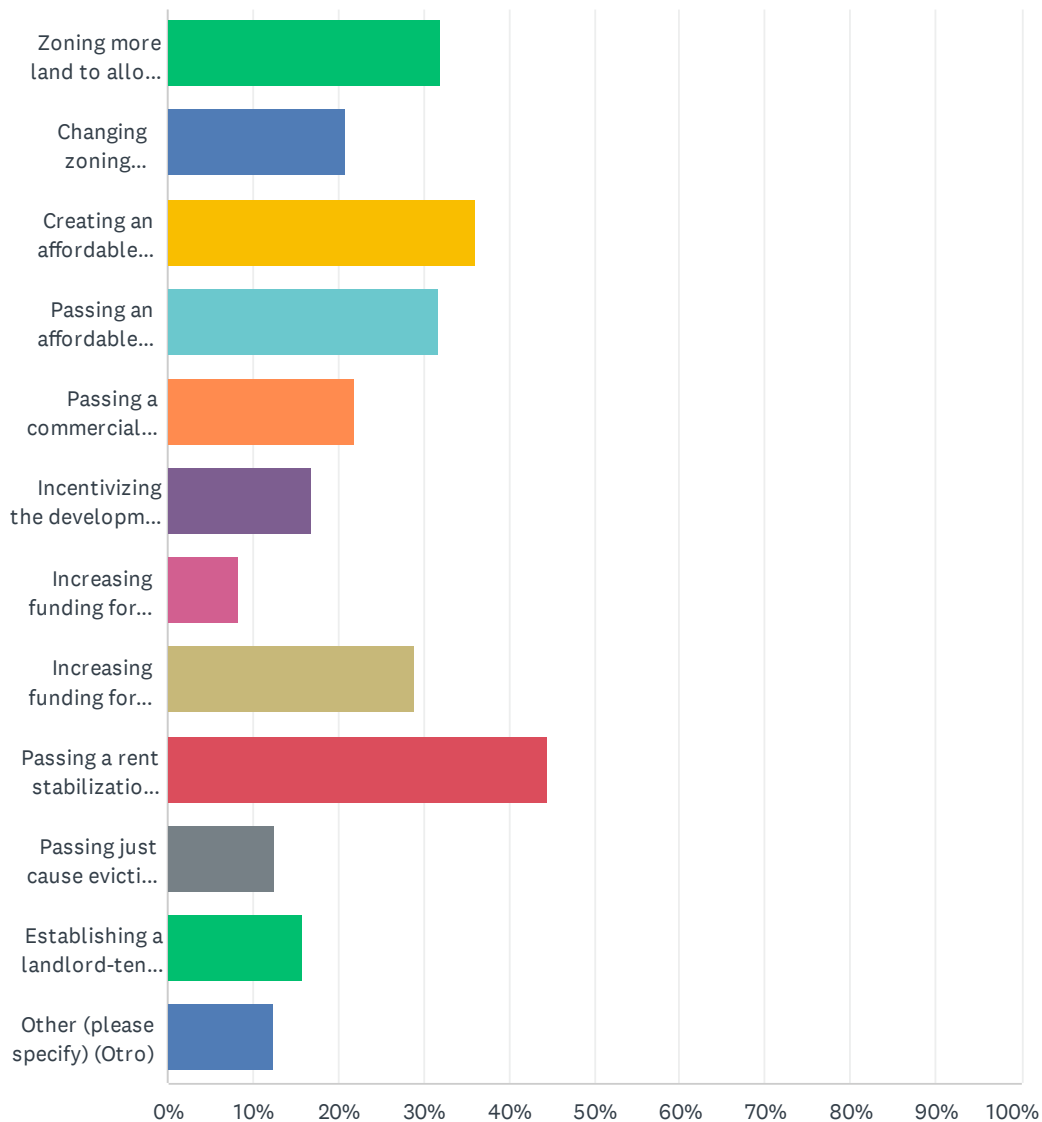
Answered: 518 Skipped: 133



ANSWER CHOICES	RESPONSES	
None of the above (Ninguna de las anteriores)	6.76%	35
Decent paying employment (Un Empleo bien pagado)	52.70%	273
Reliable transportation (Transporte confiable)	54.25%	281
Clean air and water (Agua y Aire Fresco(a))	78.96%	409
Good schools for your children (Buenas escuelas para sus hijos)	61.97%	321
Total Respondents: 518		

Q23 What are the top three steps that you think the City of Morgan Hill should take in order to address the barriers to accessing decent, safe, affordable housing? (Please select 3 choices) ¿Cuáles son los tres pasos principales que usted cree que la Ciudad de Morgan Hill debería tomar para abordar cualquier barrera y poder acceder a una vivienda digna, segura y asequible?)

Answered: 491 Skipped: 160



Morgan Hill Assessment of Fair Housing (AFH) Questionnaire

ANSWER CHOICES	RESPONSES	
Zoning more land to allow multi-family rental housing which is typically less expensive than renting a single-family home (Zonificar más terrenos para permitir viviendas de alquiler multifamiliares que generalmente son menos costosos en vez de alquilar una casa unifamiliar)	31.98%	157
Changing zoning regulations for multi-family districts to enhance feasibility of increasing affordable housing development (Cambiar las regulaciones de zonificación para distritos multifamiliares para mejorar la viabilidad de aumentar el desarrollo de viviendas asequibles)	20.98%	103
Creating an affordable housing overlay district to enhance feasibility for the purpose of increasing affordable housing development (Crear un distrito de recubrimiento de viviendas asequibles para mejorar la viabilidad con el fin de aumentar el desarrollo de viviendas asequibles)	36.05%	177
Passing an affordable housing bond issue which will provide funding to construct multi-family rental housing (Aprobar un bono de vivienda asequible que proporcionaría fondos para construir viviendas de alquiler multifamiliares)	31.77%	156
Passing a commercial linkage fee ordinance which will require new businesses to fund or construct affordable housing (Aprobar una ordenanza de tarifas de vinculación comercial que requerirá que las nuevas empresas financien o construyan viviendas asequibles)	22.00%	108
Incentivizing the development of Accessory Dwelling Units (ADUs) subject to income restrictions (Incentivar el desarrollo de Unidades de Vivienda o Accessory Dwelling Units (ADU's) sujetas a restricciones de ingresos)	16.90%	83
Increasing funding for landlord-tenant legal services (Aumentar los fondos para servicios legales de propietarios e inquilinos)	8.35%	41
Increasing funding for fair housing education, outreach, and enforcement, including fair housing testing (Aumentar los fondos para educación, difusión y la aplicación de la ley de vivienda justa, incluyendo pruebas de vivienda justa)	28.92%	142
Passing a rent stabilization ordinance (Aprobar una ordenanza de estabilización de alquiler)	44.60%	219
Passing just cause eviction protections (Pasar protecciones de desalojo por razones no justificadas)	12.63%	62
Establishing a landlord-tenant mediation process (Establecer un proceso de mediación entre propietario e inquilino)	15.68%	77
Other (please specify) (Otro)	12.42%	61
Total Respondents: 491		



September 8, 2021

To: Bay Area Local Planning Directors

RE: Public Participation and Transparency for Bay Area Housing Elements

Dear Bay Area Planning Directors,

The Bay Area can be a place where everyone can afford to live and prosper in a healthy community. To realize this vision, our local governments must prioritize deep community engagement when updating our Housing Elements.

We face an unprecedented affordable housing crisis exacerbated by the climate crisis and the COVID-19 pandemic. Decades of racist and exclusionary policies and systems have caused these crises to disproportionately harm Black, Latinx, Asian & Pacific Islander, and Indigenous communities. The 6th Cycle Housing Element update can be an opportunity for our region to recover from these crises by making sure everyone, regardless of race or income, can enjoy safe, stable homes near their jobs, families, and healthcare needs.

To plan for a better future, **we urge our cities and counties to comply with Housing Element law by implementing comprehensive, inclusive, and detailed public engagement processes.** Regional experts and community leaders have developed recommendations below.

State law requires local governments to **make “a diligent effort...to achieve public participation of *all economic segments* of the community in the development of the housing element.”** (Gov. Code 65583(c)(9) (emphasis added)). “A diligent effort means going beyond simply giving the public an opportunity to provide input and should be **proactively and broadly conducted through a variety of methods to assure access and participation.**” (Department of Housing and Community Development (HCD), [Affirmatively Furthering Fair Housing \(AFFH\) Guidance](#) Memo, April 2021, p. 21). Therefore, our cities and counties must make intentional, proactive, and robust efforts to solicit and incorporate input from community members of all economic backgrounds. A particular effort must be made to include low-income people, people of color, immigrants, non-English speakers, people with disabilities, and others who often face barriers to being heard in public decision making.

The Housing Element “**must describe meaningful, frequent, and ongoing community participation, consultation, and coordination that is integrated with the broader stakeholder outreach and community participation process** for the overall housing element,” (HCD AFFH [Guidance Memo](#), p. 10). Local governments should create an outreach plan, release drafts of the Housing Element to the public for review and comment with ample time before submission to HCD, and schedule community input meetings at accessible locations and times, including on evenings and weekends (*Id.* at 10).

Particularly for the Assessment of Fair Housing section of the Housing Element, local governments must examine housing needs and disparities for members of protected classes based, in part, on “**local data and knowledge,” including “information obtained through community participation or consultation, such as narrative descriptions of people’s lived experiences.”** (Gov. Code 65583(c)(10); HCD AFFH [Guidance Memo](#), p. 24). This “analysis should not be limited to the jurisdiction itself, but should **include the surrounding region** and an understanding of the role the jurisdiction plays in current and historical trends of segregation at a regional level.” (HCD AFFH [Guidance Memo](#), p. 46). This means that cities and counties must also explicitly seek out information about fair housing issues and disparities from people who need to live in the jurisdiction but cannot.

Public health challenges related to the pandemic demand even more thoughtful and robust planning than usual to ensure that members of the public have opportunities to participate. For example, in addition to traditional public meetings and workshops, cities and counties should provide a mix of opportunities, including booths at outdoor events, hard copy surveys at essential offices and businesses (such as culturally diverse grocery stores, corner stores, and laundromats in low-income neighborhoods), online surveys advertised through email, social media, and local news, and other creative avenues.

Regional experts and community leaders have developed the following recommendations and call on local leaders to employ these strategies to fulfill their legal and moral obligations:

1. **Proactively work with community-based organizations to plan engagement workshops and opportunities** to ensure that their members and partners can directly participate as part of the evaluation and creation of the Housing Element. Send any relevant preparatory materials and other necessary documents to community-based organizations prior to the meeting, so that they may share them with interested members with ample time for review. HCD requires local jurisdictions to engage with groups and individuals, including the following (HCD AFFH [Guidance Memo](#), p. 21):
 - a. Public housing authorities
 - b. Housing and community development providers
 - c. Advocacy groups (local, regional, and state level)
 - d. Community members who are lower income
 - e. Persons and households with special needs
 - f. Members of protected classes
 - g. Representative advocacy organizations and other similarly interested parties

- h. Fair housing agencies
 - i. Independent living centers
 - j. Regional centers
 - k. Homeless service agencies
 - l. Legal services organizations
 - m. People who work in the jurisdiction but cannot afford to live there
 - n. Community groups that organize people of protected classes
2. **Engage community participation and feedback at all stages of the Housing Element process.** Participation should not be limited to public hearings. Jurisdictions should create a roadmap of all major milestones in the Housing Element process each with clear, targeted, and robust outreach and communication plans in which the public should have opportunities to:
- a. Provide input on all components of the Housing Element including: the review and evaluation of the prior element's programs and policies, Assessment of Fair Housing, existing needs and conditions, barriers to addressing housing needs, the adequacy of the land inventory, the selection of sites to accommodate affordable housing needs, potential new programs, etc. before release of a new draft element;
 - b. Review and comment on any draft Housing Element well in advance of its submission to HCD; each draft should indicate how the jurisdiction incorporated public input;
 - c. Review how the jurisdiction has considered and incorporated public input;
 - d. Review the adopted Element; and
 - e. Provide input on each annual Housing Element progress report before it is submitted to the City Council or County Board of Supervisors for approval.
3. **Conduct various methods of engagement to allow participation by all members of the public.** It is likely that much of the public engagement will be “virtual”, however, access to computers and internet is not equitably available. For members of the public who lack those resources or who are unable to use video applications, consistently provide an adequate telephone option to participate in meetings as well as surveys, short interviews, and other opportunities to engage at outdoor events and essential businesses and offices. When hosting a virtual meeting, provide multiple options for teleconferencing, with two-way communication options that allows computer- and phone-users to engage and provide public comment. For live-streamed meetings, the public should be allowed to comment in real time, through a combination of phone and video, chat boxes, and/or email.
4. **Post notices of all hearing/meeting times, topics, and detailed information regarding participation on easy-to-find places on the jurisdiction’s website.** Notices must clearly show how public comments will be received.
5. **Translate all materials and notices into multiple languages** appropriate to the community. During meetings, interviews, and workshops, consider using separate

teleconference lines or audio channels to meet language access needs. Interpreters should be available for residents to understand and participate in the meeting.

6. **Make engagement opportunities accessible to people with disabilities**, including by providing reasonable accommodations such as sign language interpretation and written materials in Braille and other alternative formats.
7. **Give ample time for the public to review materials and submit comments prior to the meeting's start time, such as via email or a dedicated phone number.** Comments should be accepted starting from the time the notices are disseminated. Written or voice message comments should be allowed up until the start of the meeting, as well as live comments throughout the meeting. Have staff read them aloud on the record during the live meeting for transparency and consideration by the full governing body. Avoid arbitrary word limits for email comments. Voice message comments, which can be limited to 3 minutes, should be played during the comment period of the meeting. Ensure that these messages, as well as the emails, can be received in multiple languages and interpreted as needed.
8. **Convene public meetings at times outside of working hours.** Public meetings should be held at times that are convenient, and accessible to allow as many community members as possible to attend. Meetings during traditional working hours excludes many community members and disregards the intention of public participation.
9. **Meet people where they are.** For example, ask to attend regular meetings of community organizations, neighborhood associations, unions, advocacy and industry groups. Other opportunities could include having booths at outdoor events, school district food distribution sites, or outside of culturally diverse grocery stores. At all public engagement opportunities, the local government should describe the Housing Element process and ways to provide input at all stages. Advance planning and creativity will help ensure participation by all economic segments of the community.
10. **Meaningfully incorporate community input and show how it was incorporated.** Provide a transparent feedback loop about how the jurisdiction has considered and incorporated public input into the Housing Element.
11. **Create a designated Housing Element mailing list and website.** Maintain an active mailing list to notify the community, advocates, and all interested of new meetings and documents. Meeting notes, recordings of meetings, data tables and charts, and interim work products should be available on an easily accessed website.
12. **Create a diverse Housing Element Working Group** to provide input on the development of the Housing Element update AND to support and evaluate ongoing implementation. Ensure robust representation by renters, low-income people, people of color, tenant and community organizations, seniors, people with disabilities, unhoused people, farm and

agricultural workers, and others with special needs who are most impacted by the housing crisis, as well as experts in affordable housing development. This working group should continue after the adoption of the Housing Element to review and comment on its Annual Progress Reports and implementation.

The undersigned organizations remain committed to working in partnership with Bay Area jurisdictions to ensure the Housing Element update process is inclusive and lays out an effective roadmap to effectively address the affordable housing crisis. All Bay Area residents deserve a safe, accessible and affordable place to call home, with a range of choices free of barriers to fair housing. The Housing Element update process provides the tools to do just that. We look forward to continuing this work with you.

Regards,

Monith Ilavarasan, Organizer
Genesis of the Tri-Valley

Zoe Siegel, Director of Climate Resilience
Greenbelt Alliance

Shajuti Hossain, Staff Attorney
Public Advocates

Justine Marcus, State and Local Policy Director
Enterprise Community Partners

Jeff Levin, Policy Director
East Bay Housing Organizations

Leslie Gordon, Program Director of Equitable Development
Urban Habitat

Michael Rawson, Director
The Public Interest Law Project

Evelyn Stivers, Executive Director
Housing Leadership Council of San Mateo County

November 16, 2021

To whom it may concern,

California Government Code § 65583.2(c), instituted by Assembly Bill 2348 of 2004, defines residential densities “appropriate to accommodate housing for lower income households”; for cities with between 25,000 and 100,000 residents in a nonmetropolitan county (that is, a county which is part of a Metropolitan Statistical Area smaller than two million people), this default density or “Mullin density” is twenty dwelling units per acre. In a county inside an MSA larger than two million people, this density is thirty dwelling units per acre.

As of the Fifth RHNA Cycle, Santa Clara County, part of the San Jose-Sunnyvale-Santa Clara, CA MSA, had under two million residents (1,836,911 as of the 2010 Census). However, as of the 2020 Census, it has 2,000,468 residents. While HCD has yet to issue specific guidance, the following jurisdictions in Santa Clara County will have to zone at thirty units per acre in order to achieve a presumption of affordability for lower-income households in the Sixth RHNA Cycle:

- Campbell
- Cupertino
- Gilroy
- Los Altos
- Los Gatos
- Milpitas
- Morgan Hill
- Mountain View
- Palo Alto
- Saratoga

While the Mullin density sets minimum acceptable density for affordable housing at 30 du/ac, it is important to note that this density is generally insufficient for affordable housing production, given high land costs and highly competitive funding. In order to produce mandated affordable housing, we advise much higher densities limits— or preferably, no density limits.

Thank you for your time and consideration. We look forward to working with you to solve California's housing crisis.

South Bay YIMBY

Adam Paszkowski

From: Toni Tryforos <ttryforos28@gmail.com>
Sent: Friday, February 18, 2022 9:44 AM
To: Adam Paszkowski
Subject: [EXTERNAL] Housing Needs Assessment

[You don't often get email from ttryforos28@gmail.com. Learn why this is important at <http://aka.ms/LearnAboutSenderIdentification>.]

Good Morning Adam - I missed the majority of the meeting last night so sharing some feedback. I did do the survey a week or so ago.

I am a senior citizen and was extremely fortunate to be able to get affordable housing through the Housekeys program almost 2 years, right smack in the middle of the pandemic! The best part was that I live right next-door to my son and his family. Through my experience and in today's environment it's very obvious that many people within our community need more education on what affordable housing is and the stigma that it attracts undesirables in certain neighborhoods. On numerous occasions I have had to spell out that within my neighborhood of affordable housing we have educators, nurses, school principles, and people of all walks of life. I paid more for my one bedroom house than what the developer bought the Granada Theater for!

With limited space high density is the big push, multi-level homes, lots of stairs. There is no thought about the aging population and stairs, people with disabilities and stairs etc. if the only option is to build up there must be a design for a bedroom and full bathroom on a main level. I am fortunate my garage and front entry are ground level but bedroom and full bath upstairs. I hope I will be able to safely manage stairs as I continue to age.

There needs to be something that limits concessions the developers get especially with very limited parking within a community complex. Ideally, it would be nice to have less cars on the road but who are we fooling we don't have the infrastructure for mass transit. Street parking is already clogged up, car break ins and thefts are up, people deserve to have a somewhat safe place for their vehicles.

With all the housing we have and what's to come we need to make sure we have adequate schools. We desperately need another middle school in Morgan Hill so that we don't have to drive or bus our kids all the way to Martin Murphy. A round trip there can be about 1.5 hours. We have to go early just to find a parking spot.

People are very concerned about the drought which we know is not going to end anytime soon. We understand we need to get people housed but what happens when we run out of water which could very well happen in the next few years, if not sooner in certain areas. The city needs to fight harder with the state and county on some of the expansions being pushed. Growth is important for a city to thrive however, if we have no water we all lose.

This is getting too long now so I will end now. Thanks for your time.

Regards,
Toni Tryforos

Sent from my iPhone

WARNING: This message is from an external user. Confidential information such as social security numbers, credit card numbers, bank routing numbers, gift card numbers, wire transfer information and other personally identifiable

information should not be transmitted to this user. For question, please contact the Morgan Hill IT Department by opening a new helpdesk request online or call 408-909-0055.

Via Email

January 28, 2022

Adam Paszkowski - Principal Planner, Planning Division
Rebecca Garcia - Housing Manager
Development Services Department
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

RE: City of Morgan Hill - Housing Element Priorities

Dear Mr. Paszkowski and Ms. Garcia

We are writing to you to share the results of our discussions of existing housing needs and proposals we have for programs and policies that should be considered for inclusion in the Housing Element Update you are currently preparing. We are also requesting an opportunity to meet with your staff to discuss these proposals in more detail and to determine the appropriate next steps for their consideration.

The priorities outlined below were identified over the course of five meetings held by a group of South County community leaders concerned about rising homelessness and the inadequate supply of affordable housing, and interested in exploring solutions that could be integrated into the Housing Element Update Process. These meetings were convened and facilitated by SV@Home and the South County Compassion Center, and participants were drawn from the diverse existing service and advocacy networks, and included community members who volunteer regularly in direct service to those in need, representatives of regional and local service organizations and housing policy advocates, as well as residents experiencing homelessness or who were formerly homeless.

Together, we understand that the Housing Element Update is a nearly once-in-a-decade process to assess needs and develop concrete action plans to address the housing issues in our community. We understand that changes to Housing Element law have increased requirements for this assessment, including special populations such as residents experiencing homelessness, and for the development of policies and programs with specific, and measurable steps to address the unmet housing needs.

We also understand that the new requirement to engage in meaningful, frequent, and ongoing community participation throughout the Housing Element process, including the new requirements included in the Affirmatively Furthering Fair Housing guidance from the state, have presented challenges for city staff and consultants across the county.

The community meetings that have generated these priorities have been designed to complement the City's efforts.

As a group we brought our range of experiences to the discussion, and shared a wide range of concrete actions we felt would address some of the needs we have identified. Some of these ideas sought to elevate policy needs that had already been raised in public discussions, others were reflections of the need to strengthen commitments or leverage opportunities in existing programs, and some were new measures intended to address the diversity of housing needs. The group then discussed the proposed actions and the needs they were intended to address. Some items were combined, some were determined to be redundant with existing programming, and new actions were identified through the discussion. The group then went through a prioritization process, which assessed the potential impact of specific actions, how aligned they were with our understanding of state guidance, and how they might augment existing efforts. Through this process the initial list of nearly 20 proposed actions was narrowed to the 8 priorities detailed below.

In developing the required sites inventory, prioritize parcels for permanent supportive housing, ELI, and VLI housing units downtown and in other central locations accessible to resources and transit, especially parcels owned by public agencies.

Identified need: Locating affordable housing in areas that are transit rich, close to resources to meet basic needs, and well integrated in residential growth areas, is the established best practice. Affirmatively furthering fair housing requires that sites for permanent supportive housing, and homes for residents with extremely low or very low incomes be located in areas with access to jobs, transit, and resources, including public land that can expedite affordable housing development. One of the biggest challenges affordable housing developers face in development of these units is the cost of land, especially when competing with market-rate developers who have more money available.

Program to address: Surplus or underutilized government-owned land can help, since affordable housing developers have priority to purchase this land. Prioritizing sites downtown opens up opportunities and establishes community expectations that the city is supporting affordable development in these areas.

Create opportunities for community discussions and education about homelessness, housing insecurity and specific housing needs to achieve an atmosphere of acceptance and understanding.

Identified need: Current political will in the city regarding development of affordable and permanent supportive housing reflects the need to build understanding of causes and issues of homelessness, the people and lives

impacted by the lack of affordable housing, and the community benefits of safe, stable, and affordable housing.

Program to address: We often misunderstand what housing needs look like, who experiences housing insecurity, and how they can become homeless. Some common understanding can be achieved with intentional and guided communication between people that do not normally have an opportunity to dialog with each other. This could include- but not be limited to- formats such as community workshops, short video interviews, and media partnerships.

Pursue a partnership with other cities and the county for an affordable housing portal that allows people to submit a single application for multiple affordable housing developments.

Identified need: Currently, to apply for affordable housing, residents need to search multiple websites and apply using many different web portals or paper applications. Since many people are applying for so few units, a person in need of affordable housing will need to apply for multiple opportunities to increase their chances of success, submitting and resubmitting the same information multiple times through many different channels. This process creates inequitable access to affordable housing for people most in need who lack the resources and time to monitor waitlist statuses, submit paper applications or have cognitive disabilities which hinder their ability to complete multiple applications at a time. This increases the likelihood that the renter will not successfully connect with an available affordable unit.

Program to address: A single source and application for affordable housing would help people find affordable housing without causing loss of time and resources to hunt for it and resubmit the same information. A single source would also allow the city or county to affirmatively market or share all affordable housing opportunities to vulnerable and hard to reach populations. This portal could be similar to the [San Jose Doorways](#) program currently in development, and [Dahlia in San Francisco](#), which provides a single starting point for people to apply for affordable housing (inclusionary or standalone). A single source would also make it easier for the city, county, and residents to track the availability of affordable housing in their area.

Express an explicit commitment to funding for basic needs services at local encampments.

Identified need: Each year, service providers must reapply for city funding to provide basic needs services at encampments where residents experiencing homelessness are living. This process is often politically contentious and

uncertain. The lack of certainty impacts the ability of these organizations to establish long-range plans and focus on service provision.

Program to address: Providing for the basic needs of residents experiencing homelessness and living in encampments can improve health, safety, and quality of life. Many cities already provide funding on an annual basis to provide some of these services, but each year they must reapply and wait for approval again. A long-range funding commitment from the city provides more certainty and allows the organizations providing these services to fully focus on service provision.

Support and facilitate the creation of community-based nonprofits, which will develop affordable housing, including the exploration of alternative models.

Identified need: Large multifamily affordable housing developments take years to complete and do not meet the needs of all residents experiencing homelessness or in need of affordable housing. This system makes it difficult for the exploration of alternative and innovative home types that may be better able to meet the needs of some residents. Currently, affordable housing is limited to large complexes to make efficient use of land values. These projects, although they are vital assets to the community, take long periods of time to fund, approve and construct. The large sizes and lack of tenant input on governance also pose challenges to the creation of a deeper sense of belonging, building a tight knit community and facilitating neighborly connections.

Program to address: We can expand our options of multifamily affordable housing to more creative and innovative options that have tangible community control and collaborative decision making tools, such as Community Development Corporations (CDCs), co-housing, co-op housing, tiny home communities, and community land trusts. However, since many of these options do not exist in South County, significant financial and technical support and training is needed to make them viable. Local efforts can complement the initial commitments made by Santa Clara County to provide technical assistance. Training can be assisted by other and more established non-profit organizations.

Partner with CDFIs to develop a loan program with full or partial loan forgiveness for homeowners who build ADUs and restrict affordability for 15 years.

Identified need: While Accessory Dwelling Units have been successful at increasing housing production and offering homes that are more affordable by design, homeowners who are “house rich but cash poor” may struggle to obtain financing to build an ADU.

Program to address: In partnership with a CDFI, the city should develop a loan program with full or partial loan forgiveness for homeowners who build ADUs and restrict affordability for 15 years. This would increase the ability of homeowners to increase the number of homes available, secure deed-restricted affordability, and provide an income stream for lower-income homeowners to increase their financial stability. There is an existing low interest loan program administered by the Housing Trust of Silicon Valley that could be used as a foundation for this program.

Create a public awareness campaign to increase community knowledge of the existing range of services for the unhoused and homelessness prevention resources.

Identified need: Many residents who need help with housing issues are not aware of the existing range of services for the unhoused and homelessness prevention resources currently available in our city, or through the County's 211 service. Many struggle to identify and access available resources on their own. Information about local resources, including those funded through the county, and the 211 service, is currently not available on city websites.

Program to address: The city should take steps to increase awareness of how to access the services available locally, including the 211 system, which can help residents in need navigate and access a wide variety of available resources in the county. At minimum, this should include publishing information on the city's website in an easily accessible location and ensuring city staff are aware of the program and can direct residents to it. The city should also consider a public awareness campaign using social media, publications such as city newsletters and printed collateral, events, and additional channels to increase awareness of the 211 system.

We recognize that our discussion were not representative of the full range of community perspectives in Morgan Hill, and that these proposed actions will not address the full complexity of our local housing needs, but we are confident that our collective experience represents a critical perspective in identifying existing housing needs and actions that should be incorporated into the Housing Element Update. As noted above, we are requesting an opportunity to meet with your staff to discuss these proposals in more detail and to determine the appropriate next steps for their full consideration.

Please contact Joanne Fierro at fierro5175@earthlink.net to set up a time for this meeting.

Thank you for your consideration, we look forward to further discussion.

This letter is being submitted by a working coalition of community housing advocates, community based housing and homeless service providers, and regional policy and advocacy organizations. This group has come together out of a series of five community meetings with over 60 unique participants.



February 28, 2022

Policy Recommendations for 6th Cycle Housing Element

Dear Planning staff:

YIMBY Law submits this letter to share our policy goals and recommendations for the Policies and Programs section of your Housing Element. We appreciate the opportunity to participate in the Housing Element process.

The Policies and Programs section of the city's Housing Element must respond to data, analysis and findings presented in the Housing Needs section. We repeatedly see findings that housing prices are high, segregation exists, and there is a lack of housing for special populations, but the Policies and Programs don't respond to these findings or try to change outcomes. The overview of the city's housing environment should set the scene, and the policies and programs should explain what the city is going to do to fix it.

Our policy goals are as follows:

Affirmatively Furthering Fair Housing

1. Prioritize rezoning in high resource, historically exclusionary neighborhoods.

Many of the highest resource neighborhoods with the best access to jobs, good schools, and other amenities have histories of exclusion which are still reflected in their zoning. Cities should rezone to allow more housing opportunities in those neighborhoods, particularly those with low Vehicle Miles Traveled, as part of their

Housing Elements.

- 2. Establish a strong tenant protection ordinance so that new housing benefits everyone.** Development should not permanently displace current residents. Housing replacement programs, temporary housing vouchers, right of return, and demolition controls will create stability for renters while allowing new homes to be built for new households and to accommodate the growth associated with RHNA. In your sites inventory and rezoning programs, you should prioritize development on sites with owner-occupied housing & commercial uses over those with existing rent-controlled apartments or other rental housing with lower income residents.
- 3. Support homeownership opportunities for historically excluded groups.** Homeownership continues to be a path to building financial security and inter-generational wealth, which has been systematically denied to many Americans. As a society, we need to make this right by intentionally offering opportunities to communities who have been excluded. The housing element should identify opportunities to create a variety of for-sale housing types and create programs to facilitate property ownership among excluded groups.

Site Capacity

- 4. Adequately plan for density.** Ensure that a site's density will accommodate the number of homes that are projected to be built. In addition, make sure height limits, setback requirements, FAR, and other controls allow for adequate density and the ability to achieve a site's realistic capacity. Housing will not be feasible if you have a high density paired with low height limits. This density should be emphasized around jobs and transit and should go beyond the Mullin density in those areas.
- 5. Provide sufficient zoned capacity to accommodate all income levels, including a minimum No Net Loss buffer of 30%.** Not every site will be developed at maximum density during the eight-year planning period. Identify an ample amount of opportunity sites and zone the sites to accommodate lower-income housing types (usually a statutory minimum of 30 dwelling units per acre) to give the city the best chance at meeting its RHNA.

6. **Use data from the 5th Cycle to calculate the likelihood of development for your 6th Cycle site inventory.** Likelihood of development is a measure of the probability of an inventory site being developed during the planning period. The median likelihood of development across the state is 25%, meaning only one of every four sites will likely be developed during the planning period for the median city. Incorporating the likelihood of development into the zoned capacity will set the city up to successfully achieve their RHNA, making the housing element less of a paper exercise and more of an actionable, functional document.

Accessory Dwelling Units

7. **Commit to an automatic mid-cycle adjustment if ADU permitting activity is lower than estimated in the housing element.** We highly recommend complying with HCD's standards of using one of its "safe harbor" methodologies to anticipate future ADU production. However, if the city is optimistic about ADU growth, then creating an automatic mid-cycle adjustment will automatically facilitate alternative housing options (i.e., a rezoning program, removing development constraints, ADU incentives, etc.) if the city falls behind the estimated ADU production.
8. **Incentivize new ADUs, including those that are rent-restricted for moderate- or lower-income households or that are prioritized for households with housing choice vouchers.** Consider offering low- or no-interest loans, forgivable loans, impact fee waivers for ADUs that are 750 square feet or larger, allowances to facilitate two-story and second-story ADU construction, etc.

Zoning

9. **Allow residential to be built in areas that are zoned for commercial use.** There are a myriad of ways to do this, but a housing overlay is one common policy. Additionally, consider eliminating new commercial space in mixed-use developments where there is not a strong demand or there is otherwise a glut of commercial space that is unused or frequently vacant.
10. **Allow flexibility in inclusionary zoning.** Cities should require different percentages for different AMI levels. Additionally, we urge cities to incentivize land

dedication to affordable developers in order for market-rate developers to meet their inclusionary requirements. Avoid getting trapped into thinking that the affordable units must be “sprinkled throughout” the market-rate units, or require the market-rate units to look exactly the same as the affordable ones. This should be balanced against not locating all of the affordable units in one place and ghettoizing neighborhoods by creating or perpetuating racially concentrated areas of poverty.

Better Entitlement Process & Reducing Barriers to Development

- 11. Ensure that the city has a ministerial process for housing permitting, especially multi-family housing, and remove impact fees for deed-restricted housing.** A discretionary process for housing development creates uncertainty and adds to the cost of construction. For example, multi-family housing should not require a conditional use permit or city council approval unless the builder is asking for unique and extraordinary concessions. Right-sizing governmental constraints, entitlement processes, and impact fees will help the city successfully meet its RHNA.
- 12. Reduce parking standards and eliminate parking minimums.** Minimum parking requirements are a major constraint on housing, especially for lower cost housing types. They can cost in excess of \$30,000 per spot and can raise rents by as much as 17%, and eliminating them is particularly important for smaller & other spatially constrained sites. Consider adopting a parking maximum.
- 13. Cap fees on all new housing.** Most construction costs are outside the City’s control, but reducing impact fees can demonstrate that a city is serious about building new housing. At a minimum, cities should delay the collection of impact fees until the issuance of the certificate of occupancy to reduce financial impacts on new housing and make the units cheaper by not asking the developer to carry impact fee charges or debt throughout the construction phase.
- 14. Provide local funding.** One of the largest barriers to building new affordable homes is the lack of city/county funds available to assemble sites, provide gap funding, and to pay for dedicated staff. Without new funding, especially at the local level, we will not be able to build more affordable homes. There are three

new revenue streams that should be considered: 1) **Transfer tax**, a one-time payment levied by a jurisdiction on the sale of a home, may be utilized to raise much needed revenue to fund affordable homes; 2) **Vacancy tax** may be collected on vacant land to convince landowners to sell their underutilized properties and be used to fund the construction of affordable homes; 3) **Commercial linkage** fees should be adopted or revisited for increases on new commercial developments.

We urge you to include these policies in your 6th cycle Housing Element.

Best regards,

Sonja Trauss

Executive Director

YIMBY Law

sonja@yimbylaw.org

Adam Paszkowski

From: Kalisha Webster <kalisha@housingchoices.org>
Sent: Friday, April 15, 2022 7:36 PM
To: Adam Paszkowski; Rebecca Garcia
Cc: Jan Stokley
Subject: [EXTERNAL] Morgan Hill Developmental Disability Data for 2023-2031 Housing Element
Attachments: Morgan Hill Housing Element Comments for Developmental Disabilities.docx

You don't often get email from kalisha@housingchoices.org. [Learn why this is important](#)

Hello Adam and Rebecca,

My name is Kalisha Webster and I am the Housing Advocate at Housing Choices, we met last month during the meeting with the South County Housing Element Advocates spearheaded by SV@Home and The Compassion Center.

Housing Choices is a nonprofit organization funded by the San Andreas Regional Center (SARC) to support people with developmental and other disabilities find and retain affordable housing. SARC has contracted Housing Choices to engage with cities throughout Santa Clara County as they update their Housing Elements to provide data on the housing needs and best practices for inclusion of people with developmental disabilities in their housing plans.

Pursuant to SB 812, Housing Choices is submitting an assessment of the housing needs of Morgan Hill residents with developmental disabilities, as well as, a list of specific policy and program recommendations for inclusion in the draft 2023-2031 Housing Element, that we believe will best address their housing needs. Please note that the data tables are not numbered because we assume these tables will follow numbering in the larger document. If we can provide any more information, please let me know.

We are eager to work with you on this component of the Housing Element. In particular, we would like to:

- Meet with you to receive your feedback on our submission, particularly on the feasibility of the specific recommendations that are included
- Learn from you about other policy and program recommendations that are surfacing in the development of the Housing Element that might also have an impact on housing for people with developmental disabilities.
- Identify other appropriate venues for discussing our submission
- Learn how we can support you in engaging Morgan Hill households with developmental disabilities in the outreach process
- Post our recommendations for feedback on your Housing Elements web page
- Any other ideas you might have to help us broaden the larger community's understanding of the critical importance of deeply affordable housing to people with developmental disabilities.

Thank you so much for your work to bring more affordable housing to Morgan Hill.

Best Regards,



We have moved! Please note the new office address!

This e-mail message is intended only for the named recipient(s) above and is covered by the Electronic Communications Privacy Act 18 U.S.C. Section 2510-2521. This e-mail is confidential and may contain information that is privileged or exempt from disclosure under applicable law. If you have received this message in error please immediately notify the sender by return e-mail and delete this e-mail message from your computer.

DEVELOPMENTAL DISABILITIES COMMENTS FOR MORGAN HILL HOUSING ELEMENT

Introduction to Developmental Disabilities

People with developmental disabilities have a disability that emerged before age 18, is expected to be lifelong, and is of sufficient severity to require a coordinated program of services and support in order to live successfully in the community. Developmental disabilities include intellectual disability, autism, Down syndrome, epilepsy, cerebral palsy, and other disabling conditions similar in their functional impact to an intellectual disability. Under California's Developmental Disabilities Services Act and the U.S. Supreme Court's 1999 decision in *Olmstead v. L.C.*, people with developmental disabilities are entitled to receive community-based services that allow them to live in the least restrictive community setting. This shift to de-institutionalization has led to the closure of the most restrictive segregated settings and to the requirement that local jurisdictions in their Housing Elements assess and plan specifically for the housing needs of people with developmental disabilities who receive services from the Regional Center in order to live in their home community.

Demographic and Other Trends Affecting the Housing Needs of People with Developmental Disabilities

Adults Make Up More than Half of the Morgan Hill Population with Developmental Disabilities.

Morgan Hill is home to 323 people with developmental disabilities of whom 222 (69%) are adults and 101 (31%) are under age 18. Because Morgan Hill's 2015-2023 Housing Element failed to include the required assessment of the housing needs of people with developmental disabilities (pursuant to Government Code Section 65583(a)(7)), it is not possible to assess changes in this population in Morgan Hill since the 2015-2023 Housing Element. However, the population with developmental disabilities in Santa Clara County grew by 14% since the last Housing Element, much faster than the general population grew. The table below shows that Morgan Hill requires more housing options for adults with developmental disabilities than other parts of Santa Clara County because a greater proportion of Morgan Hill's residents with developmental disabilities are adults (69%) as compared to the County's total population (63%).

Table ____ Morgan Hill and Santa Clara County Population with Developmental Disabilities

Age	Morgan Hill	Morgan Hill % of total	Santa Clara County	Santa Clara County % of total
Under age 18	101	31%	4016	37%
18 and older	222	69%	6737	63%
Total	323	100%	10753	100%

Note: The Morgan Hill population with developmental disabilities was provided by San Andreas Regional Center as of November 2021. The Santa Clara County population with developmental disabilities is based on county-level data published by the Department of Developmental Services as of June 2021.

Fewer Opportunities for Morgan Hill Adults with Developmental Disabilities to Live Outside the Family Home. The family home is the most prevalent living arrangement for Morgan Hill’s adults with developmental disabilities, with 71% of adults living in the family home in 2021, higher than the 65% of Santa Clara County adults living in the family home. We also see lower prevalence of Morgan Hill adults with developmental disabilities being able to transition out of the family home into their own apartment with supportive services (10%) or licensed care facilities (19%) than in Santa Clara County (11% and 23% respectively).

Table ____ Living Arrangements of Adults with Developmental Disabilities

Adult Living Arrangements	2021 Morgan Hill	2021 Morgan Hill Percent of Total	2021 Santa Clara County	2021 Santa Clara County Percent of Total
In the family home	158	71%	4,362	65%
Own apartment with supportive services	21	10%	756	11%
Licensed Facilities	43	19%	1,525	23%
Other (including homeless)	0	-	94	1%
Total Adults	222		6,737	

Source: The 2021 data for Morgan Hill was provided by San Andreas Regional Center as of November 2021. The Santa Clara County data is based on county-level data published by the Department of Developmental Services as of June 2021.

Decline in Licensed Care Facilities in Santa Clara County. The Department of Developmental Services reports that between September 2015 and June 2021, 5% fewer people with developmental disabilities were able to be housed in licensed care facilities (including Community Care Facilities, Intermediate Care Facilities, and Skilled Nursing Facilities) in Santa Clara County, even as the adult population in need of residential options outside the family home grew. This trend increases the need for affordable housing options coordinated with supportive services funded by the San Andreas Regional Center. Santa Clara County’s reduced supply of licensed care facilities increases the likelihood that Morgan Hill adults with developmental disabilities will be forced out of the county when their parents are no longer able to house them--unless there is a significant improvement in access to affordable housing.

Increase of Autism Diagnosis Reflected in Increase in Adults in their 20s and 30s. Growth in the Santa Clara County adult population with developmental disabilities correlates with a well-documented annual increase in the diagnosis of autism that began in the mid-1980s and did not level out until after 2015. The cumulative impact of this trend is already seen in the growth of the Santa Clara County population age 18 to 41 with developmental disabilities and will continue into the future. This trend has significant implications for housing needs among Morgan Hill adults with developmental disabilities during the period of the 2023-2031 Housing Element.

Table __ Changes in Age Distribution of Adult Population in Santa Clara County

Age	2015 Number	2021 Number	% Change
18 to 31	2,767	3,515	27%
32 to 41	891	1,212	36%
42 to 51	833	705	-15%
52 to 61	702	744	6%
62 plus	416	561	35%
Total adults	5,609	6,737	20%

Source: Department of Developmental Services Quarterly Report by County.

Longer Life Spans. Between September 2015 and June 2021, the Department of Developmental Services reports that the number of Santa Clara County residents with developmental disabilities age 62 and older grew by 35% (Table __). This increase is generally attributable to well-documented gains in life span, rather than to migration of seniors with developmental disabilities into Santa Clara County. Longer life spans mean that more adults with developmental disabilities will outlive their parents and family members who are by far the single largest source of housing for people with developmental disabilities in Morgan Hill. Because older adults currently occupying a licensed facility in Santa Clara County are living longer, this reduced rate of occupant turnover, coupled with closing facilities, will make it more difficult for middle-aged and senior adults who have been living with aging parents in Morgan Hill to transition to licensed care when their parents pass away.

Displacement. Notwithstanding 20% growth in Santa Clara County's total population of adults with developmental disabilities, the Department of Developmental Services has documented a 15% decline in the age group 42 to 51 in Santa Clara County between September 2015 and June 2021 (Table __). In light of gains in life expectancy, this loss can reasonably be attributed to displacement from the county because of the lack of residential living options (either licensed facilities or affordable housing) when an elderly family caregiver passes away or becomes unable to house and care for the adult. Displacement takes a particular toll on adults with developmental disabilities who depend on familiarity with transit routes and shopping and services, as well as support from community-based services and informal networks built up over years of living in Morgan Hill.

Higher Rates of Physical Disabilities. People with developmental disabilities are more likely than the general population to have an accompanying physical disability. Almost 20% of Santa Clara County residents with developmental disabilities have limited mobility, and 15% have a vision or hearing impairment. The need for an accessible unit coupled with the need for coordinated supportive services compounds the housing barriers faced by those with both cognitive and physical disabilities.

Ineligibility for Many Affordable Rental Units. Some adults with developmental disabilities depend on monthly income of around \$1,000 from the Supplemental Security Income (SSI) program, pricing them out of many of the limited number of affordable housing units in Morgan Hill. Those with employment tend to work part-time in the lowest paid jobs and also struggle to income-qualify for many of the affordable housing units now available for rent in Morgan Hill.

Transit-Dependent. Most adults with developmental disabilities do not drive or own a car and many rely on public transit as a means to integration in the larger community.

Best Practices for Inclusion of People with Developmental Disabilities in Typical Affordable Housing

Morgan Hill can meet the housing needs of people with developmental disabilities by adopting policies and programs to promote their inclusion with coordinated services in typical affordable housing. The following considerations should guide Morgan Hill in this pursuit:

- **Integration in typical affordable housing** is a priority in order to affirmatively further fair housing for a group that has historically experienced no alternatives to segregated living and also to counter the displacement of adults with developmental disabilities out of Morgan Hill.
- **Coordination of housing with onsite supportive services** funded by the San Andreas Regional Center should be encouraged. These fully funded coordinated services provide a supported pathway for people with developmental disabilities to apply for and retain an affordable apartment and are often as essential to a person with a developmental disability as a physically modified unit is to a person with a mobility, vision, or hearing impairment.
- **A mix of unit sizes** at inclusive housing properties would address the needs of those who require live-in aides, want to live with roommates or partners, or have children.
- **Location near public transit** would accommodate the transit-dependency of most adults with developmental disabilities.
- **Deeply affordable housing is needed by people with developmental disabilities.** The City should plan for at least 131 Extremely Low Income (ELI) units--50% of its Very Low Income RNHA allocation. Some of the ELI units should be subject to a preference for people with developmental disabilities.

Policy and Program Recommendations

Morgan Hill has a responsibility not simply to assess the housing needs of people with developmental disabilities but also to create and implement policy, zoning, program and other changes that make it more feasible for affordable housing developers to include people with developmental disabilities in their housing plans. Opportunities for adults with developmental disabilities to live outside the family are lower than many other jurisdictions in Santa Clara County. Currently the city has one affordable property, Jasmine Square built in 2005, which includes 12 set aside units for people with developmental disabilities who benefit from on-site supportive services funded by the San Andreas Regional Center. The City's lack of progress in meeting the housing needs of people with developmental disabilities since

the last Housing Element demonstrates the need for policies and programs that explicitly promote inclusion of people with developmental disabilities in affordable housing with coordinated services provided by the San Andreas Regional Center in order to prevent the homelessness or displacement of these vulnerable residents.

- **Affirmatively Further Fair Housing by Producing More Extremely Low-Income Housing.** Not only is disability the highest-ranked source of Fair Housing complaints in Santa Clara County, a growing body of Santa Clara County data indicates that Black, Indigenous and other People of Color (BIPOC) with disabilities experience higher rates of severe rent burden than either BIPOC without disabilities or whites with disabilities. Such disparities in the experience of severe rent burden, housing instability and displacement from Morgan Hill are attributable to the shortage of housing priced to be affordable to Extremely Low Income (ELI) households with incomes below 30% of Area Median Income. Multiple barriers including high land and construction costs and limited funding make it difficult for developers to produce Extremely Low Income units that would help to reduce such disparities. Local zoning and other policies that lead to increased production of Extremely Low Income units, as well as city staff dedicated to implementing and overseeing those policies, will Affirmatively Further Fair Housing in Morgan Hill and decrease displacement and homelessness for the most at-risk Morgan Hill residents, including people with developmental disabilities.

Sample Language: The City of Morgan Hill's plans to Affirmatively Further Fair Housing for Black, Indigenous and other People of Color, particularly those with disabilities, shall include policies designed to increase the production of Extremely Low Income units, as well as adequate staff capacity to implement and monitor the impact of these policies.

- **Establish and monitor a quantitative goal.** Tracking the City's success in housing people with developmental disabilities is essential to determine whether policies and programs are having an effect in overcoming historic patterns of discrimination and exclusion of people with developmental disabilities from affordable housing. A goal of 40 new Extremely Low-Income housing units for Morgan Hill residents with developmental disabilities over the period of the 2023-2031 Housing Element would represent meaningful progress towards the total unmet housing need of this special needs group.

Sample Language: The City of Morgan Hill shall monitor progress towards a quantitative goal of 40 new Extremely Low Income housing units that are subject to a preference for people with developmental disabilities needing the coordinated services provided by San Andreas Regional Center to live inclusively in affordable housing.

- **Offer Developers a Range of Affordability Options Under the Inclusionary Ordinance.** Many adults with developmental disabilities, including those that find employment, have incomes too low to satisfy minimum income requirements for the Very Low and Low income units currently offered under the city's inclusionary ordinance and are effectively excluded from this housing option. California law (AB 1505, the "Palmer Fix") explicitly allows cities to adopt inclusionary

housing ordinances that address a range of income levels from moderate-income to extremely low-income. The City should take advantage of this authority to make its ordinance more responsive to local needs by offering developers of market rate housing a menu of options for including affordable units, for example, by setting a higher percentage of units if priced for moderate income and a lower percentage of units if priced for extremely low income. Such a menu would address a broader range of Morgan Hill housing needs, while giving developers more options for meeting the inclusionary requirement.

Sample Language: The City of Morgan Hill shall revise its inclusionary housing ordinance to offer developers a menu of options for achieving affordability, adjusting the percentage of units required to be affordable depending on the degree of affordability achieved (moderate-income, low income, very low income, and extremely low income).

- **Target City-Owned Land, Land Dedicated to Affordable Housing under the Inclusionary Ordinance and City Housing Funds to Achieve City-Specific Priorities.** City-owned land, land dedicated to affordable housing in lieu of providing affordable units under the inclusionary ordinance, and city housing funds are often essential to the development of affordable housing that is financially feasible in Morgan Hill. In creating guidelines for the scoring of any competitive proposals for these scarce resources, the City should grant additional points to affordable housing projects that address the housing needs of the Morgan Hill residents who are most difficult to house under existing state and federal housing finance programs—for example, by prioritizing proposals with a higher number of extremely low income units or that make a percentage of units subject to a preference for identified categories of special needs people who would benefit from coordinated onsite services, including but not limited to people with developmental disabilities who benefit from services of the San Andreas Regional Center.

Sample Language: In publishing requests for competitive proposals for any city-owned land, land dedicated to affordable housing under the city's inclusionary ordinance or city housing funds, the City of Morgan Hill shall grant additional points to proposals that address the city's most difficult to achieve housing priorities, by, for example, providing a greater number of extremely low-income units or committing to make a percentage of the units subject to a preference for people with special needs who will benefit from coordinated onsite services, such as people with developmental disabilities who receive services from the San Andreas Regional Center.

- **Local Density Bonus.** Like many state and federal housing finance programs, the state density bonus program incentivizes the production of housing at the Low and Very Low Income level. But in counties like Santa Clara County, with one of the highest Area Median Income's in the state, these incentives have the effect of making much of the available affordable housing out of reach for residents on fixed incomes (including seniors and persons with disabilities) or who are working in low wage jobs and are thus unable to meet minimum income requirements to afford the rent assigned to the Very Low Income category. Morgan Hill should add additional local

incentives to the state density bonus law to make it more responsive to the impact of Santa Clara County's high median income on the affordability of housing for Morgan Hill residents who are Extremely Low Income, including special needs populations, for example, people with developmental disabilities who will benefit from coordinated onsite services provided by the San Andreas Regional Center.

Sample Language: In addition to implementing the California density bonus statute, the City shall provide an additional local density bonus, incentives, and/or concessions for housing projects that include at least 5% of the units for people at the Extremely Low-Income affordability level, including special needs populations, for example, people with developmental disabilities who will benefit from coordinated onsite services provided by the San Andreas Regional Center

- **Extremely Low-Income Accessory Dwelling Units.** As part of a larger plan to increase the supply of Accessory Dwelling Units (ADUs), the City should consider creating a financing program for homeowners who build ADUs and rent them for at least 15 years at Extremely Low Income rent levels or that are subject to a preference for identified categories of special needs people who would benefit from coordinated onsite services, including but not limited to people with developmental disabilities who benefit from services of the San Andreas Regional Center.

Sample Language: Subject to funding availability, the City shall devise a program of financing for Accessory Dwelling Units subject to rent restrictions for at least 15 years at Extremely Low-Income rent levels and/or target special needs populations, such as people with disabilities who will benefit from coordinated services provided by the San Andreas Regional Center.

- **Reduce Parking Requirements for People with Developmental and Other Disabilities.** Because most adults with developmental disabilities do not drive or own a car, the City of Morgan Hill should revise its ordinances to limit parking required for affordable units for people with developmental disabilities to .5 space for each affordable studio or 1 bedroom unit and 1 space for an affordable 2 bedroom unit or larger. A similar reduction is recommended for affordable, physically accessible units.

Sample Language: The City of Morgan Hill shall encourage the inclusion of people with developmental and other disabilities in affordable housing by recognizing their transit dependence and establishing lower parking ratios for units targeted to people with developmental and other disabilities than would otherwise be required for affordable housing.

- **Affirmative Marketing of Physically Accessible Units:** Developers are allowed to affirmatively market accessible units to disability-serving organizations in Santa Clara County (i.e., San Andreas Regional Center, Housing Choices Coalition for Person with Developmental Disabilities, Silicon Valley Independent Living Center and others) but rarely take this step. Affirmative marketing is particularly needed by people with developmental disabilities who, because of

cognitive, communication and social impairment, often rely on housing navigation services funded by the San Andreas Regional Center to learn about and apply for affordable housing.

Sample Language: As a condition of the disposition of any city-owned land, the award of city financing, any density bonus concessions, or land use exceptions or waivers for any affordable housing project, the City of Morgan Hill shall require that the housing developer implement an affirmative marketing plan for state-mandated physically accessible units which, among other measures, provides disability-serving organizations adequate prior notice of the availability of the accessible units and a process for supporting people with qualifying disabilities to apply.



TOGETHER AT NATIONAL NIGHT OUT 2022

Tuesday, August 2, 2022 | 5:30 PM to 8:00 PM
at the Civic Center
17575 Peak Avenue, Morgan Hill, CA

A nationwide event designed to build strong community partnerships that promote safe neighborhoods. This event is an opportunity to bring the community together, get to know City teammates, and learn about service providers. Join us for an evening of fun for the entire family!

Meet Morgan Hill's Public Safety and City Teammates
Learn about City programs and services
Public safety vehicles on display
Meet K9 Officer Basco
Food trucks with a variety of food for purchase
Free Ice Cream (while supplies last)

GIVEAWAYS - BOOTHS - FAMILY FUN



Sponsored by the Morgan Hill Police Department and the City of Morgan Hill.
For more information about National Night Out visit natw.org. For more information about this event visit www.morganhill.ca.gov.



JUNTOS EN LA NOCHE NACIONAL 2022

Martes 2 de Agosto 2022 | 5:30 - 8:00 por la tarde
en la plaza del centro cívico
17575 Peak Avenue, Morgan Hill, CA

Un evento nacional diseñado para construir asociaciones comunitarias sólidas que promuevan vecindarios seguros. Este evento es una oportunidad para reunir a la comunidad, conocer a los compañeros de equipo de la Ciudad y aprender sobre proveedores de servicios. ¡Únase a nosotros para una noche de diversión para toda la familia!

Conozca a los compañeros de equipo de seguridad pública y ciudad de Morgan Hill

Conozca los programas y servicios de la Ciudad

Vehículos de seguridad pública en exhibición

Conozca al Oficial K9 Basco

Camiones de comida con una variedad de alimentos para comprar

Helado Gratis (hasta agotar existencias)

Regalos - Casetas - Diversión Para Familias



Patrocinado de el Departamento de la Policía y la Ciudad de Morgan Hill.

Para más información de La Noche Nacional, visite www.natw.org. Para más información sobre este evento visite, www.morganhill.ca.gov.



Housing Element Compliance Incentives

Incentives for Housing Element Compliance: Various state grant and loan programs require an HCD-certified housing element. Examples of active state funding sources that require housing element compliance for eligibility include the following:

Permanent Local Housing Allocation (PLHA): Helps cities and counties increase the supply of housing for households at or below 60% of area median income, increase assistance to affordable owner-occupied workforce housing, assist persons experiencing or at risk of homelessness, facilitate housing affordability, meet RHNA requirements, and ensure geographic equity in fund distribution.

Affordable Housing and Sustainable Communities (AHSC): The AHSC Program funds land-use, housing, transportation, and land preservation projects to support infill and compact development that reduce greenhouse gas ("GHG") emissions. Funding for the AHSC Program is provided from the Greenhouse Gas Reduction Fund (GGRF), an account established to receive Cap-and-Trade auction proceeds.

SB 1 Planning Grants: State-funded Sustainable Communities grants help cities pay for local transportation improvements.

CalHOME Program: The purpose of the CalHOME Program is to enable low- and very low-income households to become or remain homeowners through grants to local public agencies and nonprofit developers to assist individual first-time homebuyers through deferred-payment loans for down payment assistance, home rehabilitation, including manufactured homes not on permanent foundations, acquisition and rehabilitation, homebuyer counseling, self-help mortgage assistance, or technical assistance for self-help homeownership.

Infill Infrastructure Grants (IIG): IIG provides grant assistance, available as gap funding for infrastructure improvements necessary for specific residential or mixed-use infill development projects or areas.

Prohousing Designation Program: Prohousing designated jurisdictions will be awarded preference points on competitive funding applications (e.g. IIG, AHSC, Transformative Climate Communities (TCC), etc.). Local Early Action Planning (LEAP) and Regional Early Action Planning (REAP) grants can be utilized to establish prohousing policies for the purposes of eventually earning a Prohousing Designation.

Local Housing Trust Fund Program (LHTF): The LHTF Program provides matching funds to local and regional housing trust funds dedicated to the creation, rehabilitation, or preservation of affordable housing, transitional housing and emergency shelters.

Regional Transportation Funding: Transportation funding for some regions depend on local jurisdiction housing element compliance (e.g. **One Bay Area Grant funding (OBAG)**, **SANDAG's Active Transportation Grant Program**, etc.).

Housing Element Noncompliance Consequences

Penalties and Consequences of Housing Element Noncompliance

HCD is authorized to review any action or failure to act by a local government that it determines is inconsistent with an adopted housing element or housing element law. This includes failure to implement program actions included in the housing element. **HCD may revoke housing element compliance** if the local government's actions do not comply with state law. Examples of penalties and consequences of housing element noncompliance:

General Plan Inadequacy: The housing element is a mandatory element of the General Plan. When a jurisdiction's housing element is found to be out of compliance, its General Plan could be found inadequate, and therefore invalid. Local governments with an invalid General Plan can no longer make permitting decisions.

Legal Suits and Attorney Fees: Local governments with noncompliant housing elements are vulnerable to litigation from housing rights' organization, developers, and HCD. If a jurisdiction faces a court action stemming from its lack of compliance and either loses or settles the case, it often must pay substantial attorney fees to the plaintiff's attorneys in addition to the fees paid by its own attorneys. Potential consequences of lawsuits include: mandatory compliance within 120 days, suspension of local control on building matters, and court approval of housing developments.

Loss of Permitting Authority: Courts have authority to take local government residential and nonresidential permit authority to bring the jurisdiction's General Plan and housing element into substantial compliance with State law. The court may suspend the locality's authority to issue building permits or grant zoning changes, variances, or subdivision map approvals – giving local governments a strong incentive to bring its housing element into compliance.

Newer Consequences of Housing Element Noncompliance

Financial Penalties: Court-issued judgement directing the jurisdictions to bring its housing element in substantial compliance with state housing element law. If a jurisdiction's housing element continues to be found out of compliance, courts can multiply financial penalties by a factor of six.

Court Receivership: Courts may appoint an agent with all powers necessary to remedy identified housing element deficiencies and bring the jurisdiction's housing element into substantial compliance with housing element law.



August 04, 2022

Dear Morgan Hill City Council:

We are writing on behalf of **South Bay YIMBY** regarding Morgan Hill's 6th Cycle Housing Element Update. As a regional pro-housing advocacy group, South Bay YIMBY works to ensure cities adopt housing elements that are fair, realistic, and lawful.

Per §8899.50(a)(1) of state code, Morgan Hill's housing element must affirmatively further fair housing, which entails 'taking meaningful actions... that overcome patterns of segregation.'

The City of Morgan Hill is uniquely positioned to affirmatively further fair housing, as Morgan Hill is a wealthy, exclusionary city that researchers with the Othering and Belonging Institute at UC Berkeley identify as highly segregated from the rest of the Bay Area. This socioeconomic segregation is caused by the exclusionary cost of housing in your community, where an average home, as of April 30th, costs \$1,431,000, which is only affordable to someone earning a salary of \$252,000, meaning **only the richest 4% of households can afford to settle down in your community**. It is thus no coincidence that your city is 13% whiter than the rest of the Bay, as well as 68% less black than the rest of the Bay Area.

In a 2021 report entitled 'Exclusionary Zoning: Its Effect on Racial Discrimination in the Housing Market,' economic advisors for the White House outline how exclusionary zoning, like yours, causes segregation. Your exclusionary zoning pushes low income children to live in less resourced areas, which begets worse life outcomes from health to income. The research is clear: exclusionary zoning violates your duty to further fair housing.

To take meaningful actions that overcome patterns of segregation, we recommend you:

1. **End apartment bans in high opportunity areas.** This will give middle and working class families the opportunity to share in the resources your rich neighborhoods enjoy. As of 2020, **your city banned apartments in over 83.1% of residential areas.**
2. **Accommodate 2229 low income homes in your site inventory.** While substantially larger than the floor of 413 low income homes required by RHNA, 2229 is the number of homes required to bring the proportion of low income families in your city in line with the rest of the Bay Area. While this number is large enough to be politically challenging, it will always be politically challenging to overcome segregation, as AFFH requires.

Thank you,

Salim Damerджи, South Bay YIMBY

Keith Diggs, YIMBY Law



August 11, 2022

Adam Paszkowski and City Council
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

adam.paszkowski@morganhill.ca.gov

Re: Comments on the Draft Housing Element

Thank you for sharing this early draft of the Housing Element with the public. On behalf of Morgan Hill's more than 300 residents with intellectual and developmental disabilities, Housing Choices is grateful for the opportunity to comment before it is sent to HCD. While we appreciate the city's commitment to prioritizing the development of Extremely Low Income housing needed by the city's most vulnerable populations with limited or fixed incomes, including people with developmental disabilities, as well as integrating adults with developmental disabilities into community housing, Housing Choices is concerned that the draft housing element, as written, needs significant and substantial improvement to ensure equity and inclusion of people with intellectual and developmental disabilities in its housing plans. Please also consider the attached draft comments which we submitted to you on April 15, 2022 (Attachment A).

About Housing Choices

The San Andreas Regional Center has contracted with Housing Choices to provide Morgan Hill with an assessment of the housing needs of people with developmental disabilities, as required by SB 812. Housing Choices is a housing service provider funded by the San Andreas Regional Center (SARC) to support people with developmental disabilities to be fully integrated in Morgan Hill's affordable housing supply. We provide housing navigation services for both individuals and families. We also partner with affordable housing developers to make inclusive housing commitments for people with developmental disabilities in their housing projects. At these projects we provide onsite housing retention services. Our work over the past 25 years throughout Santa Clara County, including in Morgan Hill at Jasmine Square where 12 of the 72 apartments include a preference for people with developmental disabilities, shows that this model of housing plus services is highly effective in increasing housing access and stability for people with developmental disabilities.

Inaccurate Definition of Developmental Disabilities

On page H-1-46 of Appendix H1- Housing Needs Assessment, developmental disabilities are incorrectly defined as “attributed to a mental or physical impairment”. Housing Element law requires that jurisdictions use the definition of developmental disabilities as it exists under Section 4512 of the Welfare and Institutions Code. While people with developmental disabilities may have multiple diagnoses which can include mental or physical impairment, Section 4512 specifically states that developmental disabilities do not include disabilities that are solely physical. Developmental disabilities and eligibility for state sponsored services are further defined in Title 17, Section 54000-54002 of the California Code of Regulations as not including disabilities that are solely psychiatric, solely physical or solely learning disabilities. Instead developmental disabilities are defined as a substantial disability, onset prior to the age of 18 and attributable to major impairment of cognitive and/or social functioning. A substantial disability is defined as “significant functional limitations...in three or more of the following areas of major life activity, as appropriate to the person's age: Receptive and expressive language; Learning; Self-care; Mobility; Self-direction; Capacity for independent living; and/or Economic self-sufficiency. Under the state’s Lanterman Developmental Disabilities Services Act and the Supreme Court’s 1999 Olmstead Decision, persons with developmental disabilities that meet these requirements are entitled to receive a suite of supportive services in order to live in the least restrictive setting of their choosing and integrate into the community.

Incomplete Assessment of Housing Needs of People with Developmental Disabilities

HCD has provided guidance for a complete analysis of special housing needs groups, which “will assist a locality in identifying groups that have the most-serious housing needs in order to develop and prioritize responsive programs” and must include:

- A quantification of the total number of persons and households in the special housing needs group, including tenure (rental or ownership), where possible.
- A quantification and qualitative description of the need (including a description of the potential housing problems faced by the special needs groups), a description of any existing resources or programs, and an assessment of unmet needs.
- Identification of potential programs or policy options and resources to address the need

HCD guidance further specifies that for each jurisdictions analysis of the housing needs of people with disabilities they should include:

- A discussion of resources, including existing housing and services for people with disabilities.
- Identification of housing types (e.g. residential care facilities) that can accommodate people with disabilities and zoning and capacity available to facilitate these housing types.
- Housing programs or strategies to address identified needs.

While Morgan Hill's draft analysis of the housing needs of people with developmental disabilities in Appendix H1- Housing Needs Assessment does acknowledge some of the housing challenges faced by this special needs populations such as fixed incomes and increased risk of housing insecurity after an aging parent or family member is no longer able to care for them, it does not meet HCD guidance for a complete analysis. The analysis submitted by Housing Choices (Attachment 1) for inclusion in the Draft Housing Element includes a more in-depth discussion of trends and contributing factors affecting housing access for Morgan Hill residents with developmental disabilities, as well as housing programs and strategies that are considered best practices for inclusion in the city's future housing plans based on our 25 years of experience supporting people with developmental disabilities wanting to live in integrated community settings. Because of the lack of thorough analysis provided in the Draft Housing Element the housing programs proposed to meet their housing needs lack specific action steps for implementation nor do they include measurable outcomes to determine the effectiveness of each program as required by HCD.

In Table H 1-5 of the Draft Housing Element the city used data reported by the Department of Developmental Services (DDS) by zip code in 2020 to estimate the number of residents with developmental disabilities living in Morgan Hill. Based on these estimates they determined there were 171 adults aged 18+ and 113 minors under age 18 living in Morgan Hill for a total of 284 people with developmental disabilities. However, this number is significantly lower than what was submitted by Housing Choices based on data directly from SARC as of November 2021 in which SARC reported serving a total of 101 minors under the age of 18 and **222 adults** age 18 and older for a total of 323 people with developmental disabilities living in Morgan Hill. The underestimation of the adult population has significant implications for the Housing Element as the city must plan for housing for adults transitioning out of the family home.

For this same reason, while the Draft analysis reported living arrangements of all residents with developmental disabilities regardless of age, Housing Choices chose to examine only the living arrangements of adults in our comments as we feel this is most relevant to the Housing Element. Best practice for minors under the age of 18 with a developmental disability recommend providing supportive services in the community so that they can remain in the family home and only those with the highest support needs are considered for alternative housing options such as licensed care facilities. However, for an adult with a developmental disability options for transitioning out of the family home are needed in order to reduce the risk of homelessness or displacement when parents or other family members are no longer able to provide housing.

One of the trends missing from the Draft Housing Element, that was reported by the Department of Developmental Disabilities and which has contributed to increased reliance on parents and family members to provide housing for adults with developmental disabilities is a 5% decline in the availability of licensed care facilities (including Community Care Facilities, Intermediate Care Facilities, and Skilled Nursing Facilities) in Santa Clara County, even as the adult population in need of residential options outside the family home grew. This decline in licensed care facilities is due to: 1) increased home prices and 2) a decline in adults choosing to live in segregated living facilities. Historically, those who were unable to live in the home of a

parent were forced to live in segregated living facilities to avoid homelessness. However, since the 1999 Supreme Court decision in *Olmstead v LC* which states that unjustified segregation of people with disabilities is a violation of the Americans with Disabilities Act (ADA) as it perpetuates mistreatment and segregation from the community dating back to the eugenics movement, less adults are choosing to live in licensed care homes and other forms of segregated living, instead choosing to remain part of the community. In addition, because most licensed care homes for people with developmental disabilities are large single family homes with multiple bedrooms, soaring home prices in our region have made it more financially beneficial for retiring owners of these small licensed care homes to sell the facilities as a residence rather than a business and more difficult for new homes to be purchased and converted into licensed care facilities to replace those that have gone out of business. Other barriers and trends which affect housing access for people with developmental disabilities that were omitted from the Housing Element include:

- Morgan Hill has fewer options for adults with developmental disabilities to transition out of the family home into their own apartment with supportive services (10%) or licensed care facilities (19%) compared to Santa Clara County (11% and 23% respectively) which has led to increased reliance on parents or family members to provide housing for adults with developmental disabilities (71% in Morgan Hill vs 65% in Santa Clara County).
- Longer life spans as reflected in the 35% increase of adults with developmental disabilities age 62+ in Santa Clara County have contributed to a decline in turnover in the remaining licensed care facilities.
- Displacement from the county is evidenced by a 15% decline in adults with developmental disabilities age 42-51, when aging parents are most likely to be unable to continue providing housing due to death or infirmity.
- Higher rates of physical disabilities than the general population compounds the housing barriers faced by those with both cognitive and physical disabilities who require both supportive services and units that are physically accessible in order to live independently.
- Increase of Autism diagnosis reflected in the 29% increase in adults in their 20s and 30s in Santa Clara County which will continue to drive the need for more housing options outside of the family home for adults with developmental disabilities .
- Most people with developmental disabilities have fixed incomes from disability benefits such as Supplemental Security Income (SSI) which pays less than 15% of Santa Clara County's Area Median Income for a single person or work part-time in low wage jobs so are unable to meet income requirements for housing priced above Extremely Low Income or 30% AMI.
- Most adults with developmental disabilities do not drive or own a car so depend on public transit as a means to integrate into the community.

The Draft Housing Element also failed to discuss best practices for inclusion of people with developmental disabilities in affordable housing plans which were provided by Housing Choices based on over 25 years of experience supporting adults and families with children with developmental disabilities to find and retain affordable housing. The following practices should be considered in creating more targeted programs and policies with specific action steps, a description of the city's role in implementation, measurable outcomes and a firm commitment to implement the program as required by HCD for a compliant Housing Element:

- Integration in typical affordable housing in order to Affirmatively Further Fair Housing for a group that has historically experienced no alternatives to segregated living.
- Coordination of housing with onsite supportive services funded by the San Andreas Regional Center should be encouraged. These fully funded coordinated services provide a supported pathway for people with developmental disabilities to apply for and retain an affordable apartment in line with HCD guidance on Affirmatively Furthering Fair Housing by promoting fair housing choice.
- A mix of unit sizes at inclusive housing properties would address the needs of those who require live-in aides, want to live with roommates or partners, or have children.
- Location near public transit would accommodate the transit-dependency of most adults with developmental disabilities.
- Deeply affordable housing is needed by people with developmental disabilities. The City should plan for at least 131 Extremely Low Income (ELI) units, which would make up half of its total Very Low Income RNHA allocation. ELI units are particularly important to people with developmental disabilities, and some of the City's planned production of ELI units should be subject to a preference for people with developmental disabilities.

We believe that the inclusion of these missing elements would strengthen the city's assessment of the housing needs of Morgan Hill residents with developmental disabilities. Furthermore, it would help the city to create more meaningful programs and policies to meet the housing needs of residents with developmental disabilities as required by Housing Element law.

Strengthening Impact of Programs

We want to thank planning staff and the consultant who developed this draft for recommending a suite of new programs, policies and goals that we believe have the potential to create a more inclusive and equitable community. We are especially grateful to see the city committed to working with the San Andreas Regional Center to integrate adults with developmental disabilities into the community as evidenced by Action HE-6.B San Andreas Regional Center Coordination and Action HE-6.A Housing for Developmentally Disabled Adults. Because the city has little control over the price of housing their role in promoting more licensed care facilities is limited, however the city does have the ability to promote more inclusive affordable housing for people with developmental disabilities wanting to live independently with on-site supportive services, a proven solution to Affirmatively Furthering Fair Housing for people with developmental disabilities, such as at Jasmine Square, where many of the city's adults with developmental disabilities who have transitioned to independent living have found a home. Since 2015, Eden Housing, San Andreas Regional Center and Housing Choices have

successfully worked together at Jasmine Square to offer deeply affordable housing paired with on-site supportive services to help residents with developmental disabilities access and retain stable housing thereby promoting integration and fair housing choice, meeting HCD's requirement to AFFH. Yet, despite this highly successful model, the vast majority of adults with developmental disabilities in Morgan Hill are still living in the family home and, based on historical trends, we can only expect this number to increase over the course of the next Housing Element cycle. We look forward to supporting Morgan Hill's efforts to encourage more integrated, inclusive and affordable housing such as at Jasmine Square Apartments.

In addition to the two programs mentioned previously we also support the following programs which we believe will promote more deeply affordable and accessible housing development and expand fair housing choices for the most vulnerable Morgan Hill residents, including but not limited to people with developmental disabilities: HE-1.G Promote Extremely Low-Income Housing, HE-3.B Affordable Housing Overlay Districts, HE-6.D Increase Awareness of Universal Design Principles, and HE-6.E Universal Design Ordinance. However, unfortunately we have found that these policies as well as most others provided in the current draft do not meet HCD guidance for program creation including concrete steps, timelines and measurable metrics by which to evaluate success of these programs. Without all of these elements the city is at-risk of implementing ineffective programs with little or no effect on meeting its RHNA or Affirmatively Further Fair Housing for all special needs populations and protected groups. As the city continues to refine the implementation actions and programs we hope to see further detail provided which will clearly demonstrate to HCD how the city plans to AFFH in your future housing plans.

In a review letter sent by HCD to Redwood City planning staff on July 8, 2022 after reviewing the first Draft of their Housing Element it is stated that "To have a beneficial impact on housing outcomes in the planning period, programs must have specific commitment (beyond considering) to housing outcomes, discrete timing (e.g., at least annually) and where appropriate numerical targets." After reviewing the list of implementation actions and programs included in Morgan Hill's Draft Housing Element we found that most did not meet this requirement, some examples and suggested revisions include:

- **Action HE-1.G Promote Extremely Low-Income Housing:** What are the specific steps the city will take to prioritize funding for Extremely Low Income Housing (e.g. modifying funding guidelines)? By when will these changes be made and how often will funds be distributed? What is the measurable outcome (e.g. how many units of ELI housing will be supported annually)?
- **Action HE-3.B Affordable Housing Overlay Districts:** HCD requires more concrete commitments than to study. Timeframe is over a period of 3 years, what are the specific steps that will be taken during that time? Should describe where overlays would be implemented (e.g. transit-oriented, high resources areas, opportunity sites etc), what incentives/concessions beyond State Density Bonus Law would be included (e.g. upzoning, reduced parking etc) and how it will AFFH.
- **Action HE-6.A Housing for Developmentally Disabled Adults:** What are the specific steps that will be taken to evaluate the need (eg. study sessions)? Needs a more

specific timeline than ongoing (e.g. by when and how often will the city reach out to non-profits)?

- **Action HE-6.B San Andreas Regional Center Coordination:** What are the specific steps the city will take to coordinate with San Andreas Regional Center and integrate adults with developmental disabilities into community housing (e.g. promote inclusive housing with local incentives such as regulatory concessions or funding priority)? What is the metric by which to measure success of this program (e.g.: ___% of adults live independently with supportive services)?
- **Action HE-6.D Increase Awareness of Universal Design Principles:** What are the specific steps (e.g annual training)?
- **Action HE-6.E Universal Design Ordinance:** HCD requires more concrete commitments than to study. Timeframe should be more specific than ongoing, by when would the ordinance be adopted?

Incomplete Assessment of Fair Housing

Disability and Access Analysis. In this section of the AFH the city provides a very detailed analysis including an intersectional analysis of the housing resources available to people with disabilities as well as potential barriers to integration into the community for people with disabilities. We were also happy to see an intersectional analysis of the Housing Settings of SARC consumers with developmental disabilities by race and ethnicity as these disparities in housing access for Black, Indigenous and People of Color (BIPOC) as compared to White people with disabilities and BIPOC without disabilities is a significant component of Housing Choices' recommendations for Affirmatively Furthering Fair Housing. HCD also recommends that jurisdictions in its AFFH guidance that jurisdictions complete this type of intersectional analysis as "there are significant disparities by race within the population with disabilities". Despite the many strengths of this section there are a few errors made that we believe should be corrected in order to have a more accurate analysis of the housing needs and barriers of people with disabilities, including developmental disabilities.

On page H-5-109 the analysis includes a thorough description of the changing definition of how we define true integration of people with disabilities into the community with an explanation of the level of integration of different housing settings concluding that "an individual's own house or apartment in a development where the vast majority of residents are individuals without disabilities is an integrated setting" whereas other settings are less clearly integrated. However, on page H-5-110 the analysis of Table 4: Intellectual and Developmental Disabilities, Performance of Tri-Counties Regional Center, December 2018 does not acknowledge the weaknesses in the metrics used by DDS to measure integration as home settings include not only an individual's own apartment house or apartment but also individuals still living in their family home. When this data is further disaggregated we see that in fact most adults are not living in integrated settings as only 10% of adults are living independently with supportive services in the City of Morgan Hill. The analysis of Table 4 also concludes that "the San Andreas Regional Center simultaneously has lower rates of persons with developmental disabilities living in institutional settings but also lower rates of persons with developmental disabilities living in home or family-based settings than statewide" However, this is a misinterpretation of the data.

Table 4 reports only on individuals living in Developmental Centers (Agnews Developmental Center, which was located in Santa Clara closed in 2009) and individuals living in large facilities (defined as 7+ residents). The table does not report on the number of people living in small facilities (6 or fewer residents) and without this data we cannot reasonably determine that SARC has lower rates of consumers living in institutional settings.

On page H-5-110 it is stated that SARC does not disaggregate data by County or City however both City and County level data from SARC and DDS was submitted by Housing Choices to staff on April 15, 2022 (See Attachment A). Inclusion of both city and county level data of adult residence types as submitted by Housing Choices would demonstrate disparities in housing access for Morgan Hill adults with developmental disabilities as more are living in Home settings (71% vs 65%) with aging caregivers or other family members putting them at increased risk of homelessness or displacement when they lose the support of these home providers. In turn Morgan Hill adults are also less likely to transition out of the family home into either a Residential setting (Licensed Facilities) and are less likely to be living independently with supportive services (ILS or SLS) than in the County overall (19% vs 23% and 10% vs 11% respectively). Furthermore by not including the data submitted by Housing Choices from SARC as of November 2021 the analysis instead references outdated data from the previous Housing Element on page H-5-112. The data referenced in the Housing Element also is also for all consumers regardless of age, however as noted above Housing Choices choose to report only on the adult population as their housing needs are most relevant to the Housing Element.

On page H-5-113 (and later in the report on page H-5-135) there is a discussion of the housing options available to people with disabilities who need supportive services; however this analysis incorrectly assumes that the only supportive housing available in Morgan Hill and the County is funded through Measure A. In addition to including housing for people with developmental disabilities as a qualifying for Measure A funding the County also designated \$40 million specifically for the development of housing developments which includes some units for people with developmental disabilities who receive supportive services. And even prior to this fund other inclusive properties were already being developed such as Jasmine Square Apartments, which is not mentioned in the analysis of available inclusive housing in Morgan Hill. There is also an inaccurate analysis of Measure A funding limitations on page H-5-113 made in response to the inclusion of projects with units set-aside for persons with developmental disabilities in more recent NOFAs “ One concern is that 50% is a higher concentration of persons with disabilities than is typically considered truly integrated when developing permanent supportive housing. Reducing that target to 25% would foster community integration while still yielding a large number of units.” While past Measure A NOFAs did require that at least 25% of the units must be set-aside for people with developmental disabilities in order for projects to be eligible for funding the most recent NOFA released in November 2021 has lowered the eligibility threshold to a minimum of 10 units and up to 25% of units.

Fair Housing Enforcement, Outreach Capacity and Resources. In response to the passage of AB 686, HCD released the AFFH Data Viewer to support the outreach and engagement jurisdictions are required to complete as part of their Assessment of Fair Housing. HCD explicitly states in their AFFH guidance that the Assessment of Fair Housing (AFH) should include local

data and knowledge defined as “any locally gathered and available information”. However, the city’s analysis of Fair Housing Enforcement, Outreach Capacity and Resources does not adequately incorporate local data and knowledge as required. For instance while this section of the AFH describes a number of local fair housing agencies, including: Project Sentinel, Bay Area Legal Aid, Law Foundation of Silicon Valley, etc the only fair housing complaints on page H-5-119 of Appendix H-5: Assessment of Fair Housing are those made to HUD’s Office of Fair Housing and Equal Opportunity (FHEO). Typically, residents will reach out to local fair housing agencies, which complete their own investigation and mediation services to resolve the case, with any complaints and only if these local agencies are unsuccessful in resolving the issue are complaints escalated to FHEO. In addition to local fair housing agencies the data also leaves out reports made to California’s Civil Rights Department (formerly the Department of Fair Employment and Housing), which enforces California’s Fair Employment and Housing Act which includes protected classes beyond the limited scope of the FHEO. By only reporting complaints made to FHEO, the AFH significantly undercounts the number and types of Fair Housing complaints in the city. Without data from these state and local fair housing enforcement organizations for both Santa Clara County and the City of Morgan Hill, the city cannot accurately gauge how well it is doing in addressing Fair Housing issues nor how best to address common complaints.

Contributing Factors Appendix. On page H-5-135 in the analysis of lack of affordable in-home or community-based supportive services it is inaccurately stated that “At the county level, due to the absence of any waiting list for Home and Community-Based Services for persons with developmental disabilities, this issue primarily affects people with psychiatric disabilities.” This assumption appears to be based on the belief that SARC is a provider of Home and Community-Based Services for people with developmental disabilities. However, SARC does not directly provide these services, instead SARC provides funding for the 100s of direct services providers, such as Housing Choices, that provide these services. Unfortunately many of the ILS and SLS service providers funded by SARC to support people with developmental disabilities wanting to live independently do have waiting lists for their services which can be an impediment for adults wanting to transition out of the family home who have not yet developed the skills necessary to live independently.

We urge you to consider our recommendations and make changes to the Morgan Hill Housing Element so that it meaningfully addresses the housing needs of its residents with developmental and other disabilities.

Sincerely,

Kalisha Webster

Kalisha Webster, Senior Housing Advocate
Email kalisha@housingchoices.org
Cell [REDACTED]

DEVELOPMENTAL DISABILITIES COMMENTS FOR MORGAN HILL HOUSING ELEMENT

Introduction to Developmental Disabilities

People with developmental disabilities have a disability that emerged before age 18, is expected to be lifelong, and is of sufficient severity to require a coordinated program of services and support in order to live successfully in the community. Developmental disabilities include intellectual disability, autism, Down syndrome, epilepsy, cerebral palsy, and other disabling conditions similar in their functional impact to an intellectual disability. Under California's Developmental Disabilities Services Act and the U.S. Supreme Court's 1999 decision in *Olmstead v. L.C.*, people with developmental disabilities are entitled to receive community-based services that allow them to live in the least restrictive community setting. This shift to de-institutionalization has led to the closure of the most restrictive segregated settings and to the requirement that local jurisdictions in their Housing Elements assess and plan specifically for the housing needs of people with developmental disabilities who receive services from the Regional Center in order to live in their home community.

Demographic and Other Trends Affecting the Housing Needs of People with Developmental Disabilities

Adults Make Up More than Half of the Morgan Hill Population with Developmental Disabilities.

Morgan Hill is home to 323 people with developmental disabilities of whom 222 (69%) are adults and 101 (31%) are under age 18. Because Morgan Hill's 2015-2023 Housing Element failed to include the required assessment of the housing needs of people with developmental disabilities (pursuant to Government Code Section 65583(a)(7)), it is not possible to assess changes in this population in Morgan Hill since the 2015-2023 Housing Element. However, the population with developmental disabilities in Santa Clara County grew by 14% since the last Housing Element, much faster than the general population grew. The table below shows that Morgan Hill requires more housing options for adults with developmental disabilities than other parts of Santa Clara County because a greater proportion of Morgan Hill's residents with developmental disabilities are adults (69%) as compared to the County's total population (63%).

Table ____ Morgan Hill and Santa Clara County Population with Developmental Disabilities

Age	Morgan Hill	Morgan Hill % of total	Santa Clara County	Santa Clara County % of total
Under age 18	101	31%	4016	37%
18 and older	222	69%	6737	63%
Total	323	100%	10753	100%

Note: The Morgan Hill population with developmental disabilities was provided by San Andreas Regional Center as of November 2021. The Santa Clara County population with developmental disabilities is based on county-level data published by the Department of Developmental Services as of June 2021.

Fewer Opportunities for Morgan Hill Adults with Developmental Disabilities to Live Outside the Family Home. The family home is the most prevalent living arrangement for Morgan Hill’s adults with developmental disabilities, with 71% of adults living in the family home in 2021, higher than the 65% of Santa Clara County adults living in the family home. We also see lower prevalence of Morgan Hill adults with developmental disabilities being able to transition out of the family home into their own apartment with supportive services (10%) or licensed care facilities (19%) than in Santa Clara County (11% and 23% respectively).

Table ____ Living Arrangements of Adults with Developmental Disabilities

Adult Living Arrangements	2021 Morgan Hill	2021 Morgan Hill Percent of Total	2021 Santa Clara County	2021 Santa Clara County Percent of Total
In the family home	158	71%	4,362	65%
Own apartment with supportive services	21	10%	756	11%
Licensed Facilities	43	19%	1,525	23%
Other (including homeless)	0	-	94	1%
Total Adults	222		6,737	

Source: The 2021 data for Morgan Hill was provided by San Andreas Regional Center as of November 2021. The Santa Clara County data is based on county-level data published by the Department of Developmental Services as of June 2021.

Decline in Licensed Care Facilities in Santa Clara County. The Department of Developmental Services reports that between September 2015 and June 2021, 5% fewer people with developmental disabilities were able to be housed in licensed care facilities (including Community Care Facilities, Intermediate Care Facilities, and Skilled Nursing Facilities) in Santa Clara County, even as the adult population in need of residential options outside the family home grew. This trend increases the need for affordable housing options coordinated with supportive services funded by the San Andreas Regional Center. Santa Clara County’s reduced supply of licensed care facilities increases the likelihood that Morgan Hill adults with developmental disabilities will be forced out of the county when their parents are no longer able to house them--unless there is a significant improvement in access to affordable housing.

Increase of Autism Diagnosis Reflected in Increase in Adults in their 20s and 30s. Growth in the Santa Clara County adult population with developmental disabilities correlates with a well-documented annual increase in the diagnosis of autism that began in the mid-1980s and did not level out until after 2015. The cumulative impact of this trend is already seen in the growth of the Santa Clara County population age 18 to 41 with developmental disabilities and will continue into the future. This trend has significant implications for housing needs among Morgan Hill adults with developmental disabilities during the period of the 2023-2031 Housing Element.

Table __ Changes in Age Distribution of Adult Population in Santa Clara County

Age	2015 Number	2021 Number	% Change
18 to 31	2,767	3,515	27%
32 to 41	891	1,212	36%
42 to 51	833	705	-15%
52 to 61	702	744	6%
62 plus	416	561	35%
Total adults	5,609	6,737	20%

Source: Department of Developmental Services Quarterly Report by County.

Longer Life Spans. Between September 2015 and June 2021, the Department of Developmental Services reports that the number of Santa Clara County residents with developmental disabilities age 62 and older grew by 35% (Table __). This increase is generally attributable to well-documented gains in life span, rather than to migration of seniors with developmental disabilities into Santa Clara County. Longer life spans mean that more adults with developmental disabilities will outlive their parents and family members who are by far the single largest source of housing for people with developmental disabilities in Morgan Hill. Because older adults currently occupying a licensed facility in Santa Clara County are living longer, this reduced rate of occupant turnover, coupled with closing facilities, will make it more difficult for middle-aged and senior adults who have been living with aging parents in Morgan Hill to transition to licensed care when their parents pass away.

Displacement. Notwithstanding 20% growth in Santa Clara County's total population of adults with developmental disabilities, the Department of Developmental Services has documented a 15% decline in the age group 42 to 51 in Santa Clara County between September 2015 and June 2021 (Table __). In light of gains in life expectancy, this loss can reasonably be attributed to displacement from the county because of the lack of residential living options (either licensed facilities or affordable housing) when an elderly family caregiver passes away or becomes unable to house and care for the adult. Displacement takes a particular toll on adults with developmental disabilities who depend on familiarity with transit routes and shopping and services, as well as support from community-based services and informal networks built up over years of living in Morgan Hill.

Higher Rates of Physical Disabilities. People with developmental disabilities are more likely than the general population to have an accompanying physical disability. Almost 20% of Santa Clara County residents with developmental disabilities have limited mobility, and 15% have a vision or hearing impairment. The need for an accessible unit coupled with the need for coordinated supportive services compounds the housing barriers faced by those with both cognitive and physical disabilities.

Ineligibility for Many Affordable Rental Units. Some adults with developmental disabilities depend on monthly income of around \$1,000 from the Supplemental Security Income (SSI) program, pricing them out of many of the limited number of affordable housing units in Morgan Hill. Those with employment tend to work part-time in the lowest paid jobs and also struggle to income-qualify for many of the affordable housing units now available for rent in Morgan Hill.

Transit-Dependent. Most adults with developmental disabilities do not drive or own a car and many rely on public transit as a means to integration in the larger community.

Best Practices for Inclusion of People with Developmental Disabilities in Typical Affordable Housing

Morgan Hill can meet the housing needs of people with developmental disabilities by adopting policies and programs to promote their inclusion with coordinated services in typical affordable housing. The following considerations should guide Morgan Hill in this pursuit:

- **Integration in typical affordable housing** is a priority in order to affirmatively further fair housing for a group that has historically experienced no alternatives to segregated living and also to counter the displacement of adults with developmental disabilities out of Morgan Hill.
- **Coordination of housing with onsite supportive services** funded by the San Andreas Regional Center should be encouraged. These fully funded coordinated services provide a supported pathway for people with developmental disabilities to apply for and retain an affordable apartment and are often as essential to a person with a developmental disability as a physically modified unit is to a person with a mobility, vision, or hearing impairment.
- **A mix of unit sizes** at inclusive housing properties would address the needs of those who require live-in aides, want to live with roommates or partners, or have children.
- **Location near public transit** would accommodate the transit-dependency of most adults with developmental disabilities.
- **Deeply affordable housing is needed by people with developmental disabilities.** The City should plan for at least 131 Extremely Low Income (ELI) units--50% of its Very Low Income RNHA allocation. Some of the ELI units should be subject to a preference for people with developmental disabilities.

Policy and Program Recommendations

Morgan Hill has a responsibility not simply to assess the housing needs of people with developmental disabilities but also to create and implement policy, zoning, program and other changes that make it more feasible for affordable housing developers to include people with developmental disabilities in their housing plans. Opportunities for adults with developmental disabilities to live outside the family are lower than many other jurisdictions in Santa Clara County. Currently the city has one affordable property, Jasmine Square built in 2005, which includes 12 set aside units for people with developmental disabilities who benefit from on-site supportive services funded by the San Andreas Regional Center. The City's lack of progress in meeting the housing needs of people with developmental disabilities since

the last Housing Element demonstrates the need for policies and programs that explicitly promote inclusion of people with developmental disabilities in affordable housing with coordinated services provided by the San Andreas Regional Center in order to prevent the homelessness or displacement of these vulnerable residents.

- **Affirmatively Further Fair Housing by Producing More Extremely Low-Income Housing.** Not only is disability the highest-ranked source of Fair Housing complaints in Santa Clara County, a growing body of Santa Clara County data indicates that Black, Indigenous and other People of Color (BIPOC) with disabilities experience higher rates of severe rent burden than either BIPOC without disabilities or whites with disabilities. Such disparities in the experience of severe rent burden, housing instability and displacement from Morgan Hill are attributable to the shortage of housing priced to be affordable to Extremely Low Income (ELI) households with incomes below 30% of Area Median Income. Multiple barriers including high land and construction costs and limited funding make it difficult for developers to produce Extremely Low Income units that would help to reduce such disparities. Local zoning and other policies that lead to increased production of Extremely Low Income units, as well as city staff dedicated to implementing and overseeing those policies, will Affirmatively Further Fair Housing in Morgan Hill and decrease displacement and homelessness for the most at-risk Morgan Hill residents, including people with developmental disabilities.

Sample Language: The City of Morgan Hill's plans to Affirmatively Further Fair Housing for Black, Indigenous and other People of Color, particularly those with disabilities, shall include policies designed to increase the production of Extremely Low Income units, as well as adequate staff capacity to implement and monitor the impact of these policies.

- **Establish and monitor a quantitative goal.** Tracking the City's success in housing people with developmental disabilities is essential to determine whether policies and programs are having an effect in overcoming historic patterns of discrimination and exclusion of people with developmental disabilities from affordable housing. A goal of 40 new Extremely Low-Income housing units for Morgan Hill residents with developmental disabilities over the period of the 2023-2031 Housing Element would represent meaningful progress towards the total unmet housing need of this special needs group.

Sample Language: The City of Morgan Hill shall monitor progress towards a quantitative goal of 40 new Extremely Low Income housing units that are subject to a preference for people with developmental disabilities needing the coordinated services provided by San Andreas Regional Center to live inclusively in affordable housing.

- **Offer Developers a Range of Affordability Options Under the Inclusionary Ordinance.** Many adults with developmental disabilities, including those that find employment, have incomes too low to satisfy minimum income requirements for the Very Low and Low income units currently offered under the city's inclusionary ordinance and are effectively excluded from this housing option. California law (AB 1505, the "Palmer Fix") explicitly allows cities to adopt inclusionary

housing ordinances that address a range of income levels from moderate-income to extremely low-income. The City should take advantage of this authority to make its ordinance more responsive to local needs by offering developers of market rate housing a menu of options for including affordable units, for example, by setting a higher percentage of units if priced for moderate income and a lower percentage of units if priced for extremely low income. Such a menu would address a broader range of Morgan Hill housing needs, while giving developers more options for meeting the inclusionary requirement.

Sample Language: The City of Morgan Hill shall revise its inclusionary housing ordinance to offer developers a menu of options for achieving affordability, adjusting the percentage of units required to be affordable depending on the degree of affordability achieved (moderate-income, low income, very low income, and extremely low income).

- **Target City-Owned Land, Land Dedicated to Affordable Housing under the Inclusionary Ordinance and City Housing Funds to Achieve City-Specific Priorities.** City-owned land, land dedicated to affordable housing in lieu of providing affordable units under the inclusionary ordinance, and city housing funds are often essential to the development of affordable housing that is financially feasible in Morgan Hill. In creating guidelines for the scoring of any competitive proposals for these scarce resources, the City should grant additional points to affordable housing projects that address the housing needs of the Morgan Hill residents who are most difficult to house under existing state and federal housing finance programs—for example, by prioritizing proposals with a higher number of extremely low income units or that make a percentage of units subject to a preference for identified categories of special needs people who would benefit from coordinated onsite services, including but not limited to people with developmental disabilities who benefit from services of the San Andreas Regional Center.

Sample Language: In publishing requests for competitive proposals for any city-owned land, land dedicated to affordable housing under the city's inclusionary ordinance or city housing funds, the City of Morgan Hill shall grant additional points to proposals that address the city's most difficult to achieve housing priorities, by, for example, providing a greater number of extremely low-income units or committing to make a percentage of the units subject to a preference for people with special needs who will benefit from coordinated onsite services, such as people with developmental disabilities who receive services from the San Andreas Regional Center.

- **Local Density Bonus.** Like many state and federal housing finance programs, the state density bonus program incentivizes the production of housing at the Low and Very Low Income level. But in counties like Santa Clara County, with one of the highest Area Median Income's in the state, these incentives have the effect of making much of the available affordable housing out of reach for residents on fixed incomes (including seniors and persons with disabilities) or who are working in low wage jobs and are thus unable to meet minimum income requirements to afford the rent assigned to the Very Low Income category. Morgan Hill should add additional local

incentives to the state density bonus law to make it more responsive to the impact of Santa Clara County's high median income on the affordability of housing for Morgan Hill residents who are Extremely Low Income, including special needs populations, for example, people with developmental disabilities who will benefit from coordinated onsite services provided by the San Andreas Regional Center.

Sample Language: In addition to implementing the California density bonus statute, the City shall provide an additional local density bonus, incentives, and/or concessions for housing projects that include at least 5% of the units for people at the Extremely Low-Income affordability level, including special needs populations, for example, people with developmental disabilities who will benefit from coordinated onsite services provided by the San Andreas Regional Center

- **Extremely Low-Income Accessory Dwelling Units.** As part of a larger plan to increase the supply of Accessory Dwelling Units (ADUs), the City should consider creating a financing program for homeowners who build ADUs and rent them for at least 15 years at Extremely Low Income rent levels or that are subject to a preference for identified categories of special needs people who would benefit from coordinated onsite services, including but not limited to people with developmental disabilities who benefit from services of the San Andreas Regional Center.

Sample Language: Subject to funding availability, the City shall devise a program of financing for Accessory Dwelling Units subject to rent restrictions for at least 15 years at Extremely Low-Income rent levels and/or target special needs populations, such as people with disabilities who will benefit from coordinated services provided by the San Andreas Regional Center.

- **Reduce Parking Requirements for People with Developmental and Other Disabilities.** Because most adults with developmental disabilities do not drive or own a car, the City of Morgan Hill should revise its ordinances to limit parking required for affordable units for people with developmental disabilities to .5 space for each affordable studio or 1 bedroom unit and 1 space for an affordable 2 bedroom unit or larger. A similar reduction is recommended for affordable, physically accessible units.

Sample Language: The City of Morgan Hill shall encourage the inclusion of people with developmental and other disabilities in affordable housing by recognizing their transit dependence and establishing lower parking ratios for units targeted to people with developmental and other disabilities than would otherwise be required for affordable housing.

- **Affirmative Marketing of Physically Accessible Units:** Developers are allowed to affirmatively market accessible units to disability-serving organizations in Santa Clara County (i.e., San Andreas Regional Center, Housing Choices Coalition for Person with Developmental Disabilities, Silicon Valley Independent Living Center and others) but rarely take this step. Affirmative marketing is particularly needed by people with developmental disabilities who, because of

cognitive, communication and social impairment, often rely on housing navigation services funded by the San Andreas Regional Center to learn about and apply for affordable housing.

Sample Language: As a condition of the disposition of any city-owned land, the award of city financing, any density bonus concessions, or land use exceptions or waivers for any affordable housing project, the City of Morgan Hill shall require that the housing developer implement an affirmative marketing plan for state-mandated physically accessible units which, among other measures, provides disability-serving organizations adequate prior notice of the availability of the accessible units and a process for supporting people with qualifying disabilities to apply.

CITY COUNCIL STAFF REPORT

MEETING DATE: August 17, 2022

PREPARED BY:

Matthew Mahood, Economic Development Director

APPROVED BY: City Manager

APPROVE UPDATES TO THE HOTEL STRATEGY AND INCENTIVE POLICY TO SUPPORT NEW HOTEL DEVELOPMENT AND REHABILITATION OF EXISTING HOTELS

RECOMMENDATION(S)

Approve updates to the Hotel Incentive Policy to support new hotel development and rehabilitation of existing hotels.

Estimated Time: 30 minutes

COUNCIL PRIORITIES, GOALS & STRATEGIES

2022-2023 Strategic Priorities

Fiscal Sustainability

Economic Development

Guiding Documents

Economic Blueprint

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

POLICY CONSIDERATION:

Should the City Council revise the Hotel Incentive Policy (HIP) adopted on June 1, 2022 to encourage new hotel development and encourage reinvestment in existing hotels to improve the quality of hotels and Transient Occupancy Tax generation?

ISSUE AND BACKGROUND

In June 2022, the City Council approved the Hotel Strategy and Incentive Policy and directed City staff to conduct additional outreach to explore improvements to the Policy and provide the City Council with an update.

Over the last two months, the Economic Development team met with nine (9) hotel owners and operators and toured their facilities to better understand the constraints on their operations and gather specific feedback regarding the Hotel Incentive Program (HIP). The feedback on the HIP was varied, with most hotel owners and operators providing feedback that would make the HIP beneficial to their specific property.

However, there were four main takeaways that were consistent with all the feedback received.

1. Adjust the baseline so that a singular peak year is not used,
2. Remove the requirement on existing hotels to improve/upgrade chain scale,
3. Increase reimbursement cap for existing hotels, and
4. Focus on attracting a full-service hotel.

Based on this additional feedback received, staff recommends the following revisions to the HIP:

1. Make the program more accessible by lowering the TOT baseline. The original policy uses the calendar year 2019 which was a high TOT producing year. Staff recommends revising the baseline to fiscal year 2019-2020, which combines a high and a low TOT producing year.
2. Remove the requirement to improve chain scale.
3. Increase in the maximum rebate from \$100,000 to \$250,000.

Lastly, staff recommends extending the term by an additional five years (from 10 years to up to 15 years) at the discretion of the City Manager. The rate of TOT share will decrease from 50% to 33% after year 10.

The HIP is designed to attract a broad range of new hotel investment and reinvestment into existing hotels per the City's General Plan and Economic Development Blueprint.

The Economic Development team is very interested in pursuing full-service hotels. However, these types of projects are likely to require a unique incentive program specific to the proposed project above and beyond a standard incentive. City staff will continue to explore opportunities to attract a full-service hotel investment as part of our on-going workplan.

The recommended revisions provide additional support to existing hotel operators and are consistent with the feedback received. The recommended revisions are captured in a red-line version of the Hotel Incentive Policy, Attachment 1.

COMMUNITY ENGAGEMENT:

Inform/ Involve/ Collaborate

City staff have shared the Hotel Incentive Policy with Visit Morgan Hill and the Chamber of Commerce Board of Directors. City staff have conducted outreach and engagement with existing hotel operators for their feedback and input. City staff visited and met with nine (9) separate hotel owners/operators.

ALTERNATIVE ACTIONS:

1. City Council may choose to take no action on the proposed Hotel Incentive Policy revisions, leaving the existing policy, adopted on June 1, 2022, as is.

2. City Council may make modifications to the policy, not included in the staff recommendation.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On [June 1, 2022, the City Council took action to approve the Hotel Strategy and Incentive Policy](#) to support new hotel development and rehabilitation of existing hotels; and directed staff to return to the Council with a report on refining the policy. The staff report and presentation from the June 1 meeting are included as attachments to this report.

In 2018, the City Council took action to form a Tourism Based Improvement District (TBID), Visit Morgan Hill, to help support and promote the tourism and hospitality industries.

FISCAL AND RESOURCE IMPACT:

If approved, on new participating hotel developments, the City would be sharing a portion of new incremental Transient Occupancy Tax (TOT) revenues generated above the baseline equal to no more than 50% of the cost of offsite improvements. For existing hotel projects, the City would be sharing a portion of incremental TOT revenues generated above the baseline amount.

CEQA (California Environmental Quality Act):

Not a Project

The Hotel Incentive Program is exempt from environmental review under Section 15061(b)(3) of the State CEQA Guidelines. The program is covered by the general rule that CEQA applies only to projects which have the potential to cause a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The program will not result in any direct impact upon the physical environment. Any development that occurs in the future will be subject to the development standards of the zoning district and will undergo an independent analysis pursuant to the requirements of CEQA.



Hotel Incentive Policy

Adopted June 1, 2022 (revisions added 8/3/2022)

Purpose

The Hotel Incentive Policy (HIP) provides rebate incentives to encourage the construction of new hotel development and the rehabilitation and upgrade of existing hotels to help enhance the tourism and travel experience and hospitality services for businesses and residents in the area. The intent of this program is to promote economic development, support business operations, and provide attractive and desirable visitor serving facilities and experiences to enhance the city's economic sustainability.

For new hotel development, the HIP provides cost-sharing of up to 50% of City required off-site improvements. The City's contribution will be deducted from future TOT revenue generation after an established TOT baseline.

For the renovation of existing hotel properties, the HIP provides cost-sharing of up to 50% of costs associated with property improvements needed to obtain a higher quality standard that upgrades the hotel brand*. The City's contribution will be deducted from future TOT revenue generation after an established TOT baseline.

Goals

1. The City supports hotel investment to support sports, recreation and wine tourism and support business development.
2. The City supports the development of unique and specialty lodging facilities such as full-service hotels with conference and restaurant facilities; boutique hotels, Bed and Breakfasts, Airbnb, VRBOs and other short-term lodging rental platforms to increase lodging diversity and promote the area as a tourism destination.
3. The City supports reinvestment into existing hotel properties that support the improvements required to upgrade the quality of hotel rooms and enhance hotel brand inventory.

The City's General Plan Update 2035 and the 2017 Economic Development Blueprint provides direction that support the Hotel Incentive Policy.

2035 General Plan. Policy ED 4-9

Overnight Accommodations. Support the construction of a full range of new lodging facilities to build the local tourism industry, enhancing the City's position as a hub for wine tourism and for visitors attracted to the City's sports facilities.

2035 General Plan. Policy ED 4-11

Tourism Support Services. Actively promote development of tourist-oriented commercial, industrial, and recreational uses and facilities, including such uses as lodging, meeting and conference centers, outdoor restaurants, wine and beer tasting, and farmers' markets.

2035 General Plan. Policy ED 4--A

Bed and Breakfast Establishments. Adopt zoning for bed and breakfast establishments where compatible with existing and planned land uses.

2017 Economic Development Blueprint. Tourism Strategy: Support Lodging.

Ensure General Plan and Zoning Code Address Bed & Breakfasts, Airbnb and Hotel Development (Action #25) to provide clear guidance regarding the rules that apply to short-term room or home rentals through Airbnb or other platforms.

2017 Economic Development Blueprint. Tourism Strategy: Support Lodging.

Develop Plan to Help Upgrade or Transition Aging Hotel Facilities (Action #26) to address safety, State Building Code compliance, and local General Plan and Zoning conformance issues.

2017 Economic Development Blueprint. Tourism Strategy: Support Lodging.

Identify Pre-Zoned Lodging Sites (Action #27) to support the vision of making Morgan Hill and South Silicon Valley a tourism destination and offering diversity among lodging amenities.

HIP Program Parameters & Eligibility**New Hotels**

1. Location of new hotel development shall be in conformance with the City's General Plan and Existing Zoning.
2. The City's contribution shall be up to 50% of the costs associated with off-site/public improvements such as: roadways, sidewalks, utility undergrounding and other offsite improvements required of a new hotel construction in a greenfield development.
3. The City's contribution will be in the form of a rebate deducted from future TOT revenue generation after an established TOT baseline and shall be paid within 10 years.
4. The rebate ends after the 50% contribution has been financed or after 10 years, whichever is first. If the Subsidy Cap has not been received by the end of ten (10) years, the incentive program may be extended at the discretion of the City Manager for an additional five (5) years. During the five (5) year extension, the City shall pay to the operator thirty-three percent (33%) of the transient occupancy tax generated above the established TOT baseline until the Subsidy Cap is reached.
5. The baseline will be equal to the corresponding chain scale hotel annual average revenue per guest room in Morgan Hill during ~~the year 2019~~ the Fiscal Year 2019/2020. Baseline to be updated every five years.
6. Only up to 50% of TOT generated above the baseline will be applied to the rebate.

7. The City Council shall approve Hotel Incentive agreements over \$100,000.
8. The HIP does not limit hotel developments from accessing other local or regional incentive programs.

Existing Hotels

1. Existing hotels must be an established hotel located in Morgan Hill city limits.
2. Participating hotels that are currently branded as a chain may either (a) increase in chain scale or (b) apply for a maximum rebate of \$250,000.
- ~~2.3. must achieve an upgrade of at least one chain scale after renovations are completed.~~
Participating hotels that are currently Independent may either (a) obtain a chain brand or (b) apply for a maximum rebate of ~~\$100,000~~ \$250,000.
- ~~3.4.~~ The City's contribution shall be up to 50% of the costs required to achieve the chain scale upgrade, as supported by the brand's Property Improvement Plan (PIP) document and receipts of completed items listed on the PIP.
- ~~4.5.~~ Hotel upgrades must meet the California Building Code and must obtain required City permits. The City's contribution will be calculated based on the cost estimate submitted to the City for building permits.
- ~~5.6.~~ The City's contribution will be in the form of a rebate deducted from future TOT revenue generation after an established TOT baseline and shall be paid within 10 years.
- ~~6.7.~~ The rebate ends after the 50% contribution has been financed or after 10 years, whichever is first. - If the Subsidy Cap has not been received by the end of ten (10) years, the incentive program may be extended at the discretion of the City Manager for an additional five (5) years. During the five (5) year extension, the City shall pay to the operator thirty-three percent (33%) of the transient occupancy tax generated above the established TOT baseline until the Subsidy Cap is reached.
- ~~7.8.~~ The baseline for established hotels will be based on the hotel's average TOT revenue generated in 2019 in the Fiscal Year 2019/2020.
- ~~8.9.~~ Only up to 50% of TOT generated above the baseline will be applied to the rebate.
- ~~9.10.~~ The City Council shall approve Hotel Incentive agreements over \$100,000.

*** Minimum Quality Standards**

Hotel facilities are evaluated based on STR's published industry U.S. Chain Scales. Chain Scales are determined by each brand's national, systemwide room rates. An independent hotel, regardless of average room rate, is included as a separate "Independent" category. The Chain Scales are: Luxury, Upper Upscale, Upscale, Upper Midscale, Midscale, Economy and Independent.

July 25, 2022

City of Morgan Hill
City Council and Economic Development Team
Morgan Hill, CA

Dear City of Morgan Hill,

As long-term motel owners in Morgan Hill, we were excited to see the City put forth the Hotel Incentive Policy. The policy supports our local businesses by assisting us with making improvements, while also supporting new hotel developers to enter the Morgan Hill market.

As we have seen in markets similar to ours across the Bay Area, Morgan Hill is ripe for expansion across all types of development. With so much new housing and more businesses setting up in our city, we need to be ready with the hotel and motel rooms to accommodate the additional corporate and leisure guests.

We appreciate the opportunity to communicate some feedback on the policy, and hopefully we can help refine the terms of the policy to better serve our entire community:

Cap on independent hotel improvements:

- The current policy places a cap of \$100K on improvements to independent hotels/motels that remain independent, while changing to a chain brand does not have a cap. In our experience, an independent motel could upgrade to a limited-service brand such as Days Inn by Wyndham or Econolodge by Wyndham without significant improvements. Improvements would typically be cosmetic, like new furniture, paint in guestrooms, etc. In doing so, the change to a chain brand would not significantly improve the Morgan Hill visitor's experience, as the motel would not be significantly improved. However, in line with the policy, such a project would not be limited to a \$100K cap.
- Alternatively, an independent motel could spend significant amounts on a renovation through renovated guest rooms, major exterior improvements, etc. but remain an independent hotel. The upgrades in such a case could create a unique destination property for the City, but would be limited to the \$100K cap.
- Placing a cap in this regard will stifle real improvements to the independent motels in our city.

Types of projects eligible for the policy:

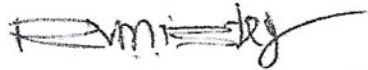
- Having seen how the City has stagnated with hotel developments over the last several years, while housing has grown exponentially, we believe the Incentive Policy should support hotel and motel projects across all classes, including economy, limited service, mid-scale and upper-scale hotels and motels. We need

to be able to better serve leisure and business travelers as well as our local community with a breadth of options.

- Eligibility for projects should be for any land already zoned for hotels, as well as land that has been legally rezoned to allow for hotels. The policy should also strongly encourage development within the Monterey corridor, as this is the heart of the City and will help to create a more robust Downtown for visitors and residents.

We are very excited that the City Council has implemented this policy, and we look forward to working on improvement projects that help improve our city.

Kind regards,



Ramosh Mistry

Member LLC, Holiday Motel, LLC

Commit Punched

ECONOMY INN

R.B. Patel.

ROHAN PATEL

MORGAN HILL INN MOTEL.

CITY COUNCIL STAFF REPORT

MEETING DATE: August 17, 2022

PREPARED BY:

Dat Nguyen, Finance Director

APPROVED BY: City Manager

RECEIVE MONTHLY BUDGET UPDATE; PRELIMINARY FY 21-22 FINANCIAL AND INVESTMENT REPORTS; CITY MANAGER AUTHORITY REPORT; AND ADOPT BUDGET AMENDMENTS

RECOMMENDATION(S)

1. Accept and file Preliminary Fiscal Year (FY) 2021-2022 Financial and Investment Report and City Manager Authority Report; and
2. Adopt resolution authorizing changes to the adopted Fiscal Year (FY) 2021-2022 City of Morgan Hill Operating Budget.

Estimated Time: 10 minutes

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Preserving and Cultivating Public Trust

2022-2023 Strategic Priorities

Fiscal Sustainability

Community Outreach, Engagement, and Messaging

REPORT NARRATIVE:

As part of the City Council's expectation to maintain a high level of transparency and to be responsible stewards of public funds, staff is providing the monthly budget update, preliminary Fiscal Year (FY) ending June 30, 2022 financial and investment reports, along with the recommended changes to the adopted FY 2021-22 City of Morgan Hill Operating Budget.

Preliminary Fiscal Year Ending June 30, 2022

General Fund: Revenues totaled \$52.8 million, compared to amended budget of \$50.8 million. This is mainly due to higher tax collections. Expenditures, including encumbrances, totaled \$48.4 million, compared to amended budget of \$51.0 million. FY 2021-22 general fund expenditures came in better than anticipated partially due cost containment strategies implemented due to the reduction in operating hours at the

Centennial Recreation Center (CRC) and Aquatics Center (AC), conservative spending, higher vacancy savings, and better performance in Development Services Fund 206, which expects a loan from the General Fund of only about \$0.3 million for FY 2021-22 versus \$1.0 million as budgeted.

Development Services: Revenues, excluding the \$0.3 million loan from the General Fund, totaled \$5.7 million, compared to adopted budget of \$5.3 million. This is partially due to a result of the fee increases approved by the City Council on January 19, 2022 and increased construction activity. Expenditures, including encumbrances, totaled \$5.4 million, resulting in a net excess of approximately \$0.3 million. As a result of better performance of the Development Services Fund, it is anticipated the fund will only require a loan from the General Fund of \$0.3 million versus \$1.0 million as budgeted.

Enterprise Funds: Water and Sewer revenues totaled \$49.2 million. The Sewer Operating Fund's preliminary total revenue amounted to \$14.8 million, better than budget by approximately \$0.7 million or about 5%. The Water Operating Fund's preliminary total revenue amounted to \$15.9 million, approximately \$0.4 million or about 3% less than budgeted. This is primarily due to lower water consumption as a result of the on-going drought. Preliminary FY 2021-22 expenditures, including encumbrances for the Enterprise Funds totaled \$54.7 million. Per City Council reserve policy, any excess funds after appropriate reserves have been set aside for the Operating and Rate Stabilization Reserve Funds, shall be transferred to capital projects for the ongoing maintenance and improvement of the City's utilities systems. For FY 2021-22, Wastewater Operating Funds will transfer approximately \$3.5 million and Water Operating Funds will transfer approximately \$3.4 million to capital projects funds.

Additional Appropriations in FY 2021-22

Additional appropriations are required in several funds with some being mentioned at the June 15, 2022 meeting, due to unforeseen expenditures as described below:

Fund 306 Open Space and Agricultural Preservation - \$100,000: Late billing by the County for prior year weed abatement services inflated this year's expenditures.

Fund 315 Public Safety Facilities Impact Fee - \$700,000: The design portion of the New Fire Department Project was moved up from year 3 to year 2 of the adopted Capital Improvement Program Budget. Additional appropriation is required.

Fund 348 Library Impact Fee - \$2,000: Exit signage plan for expansion took place after the close of the project.

Fund 355 Pedestrian and Traffic Safety - \$120,000: The RDCS School Safety Project for FY 2022 focused on the safety enhancements related to Britton Middle School. The project was slightly over budget, due to project administration costs as well as contractual costs for labor consultants related to prevailing wage assessments.

Fund 770 Worker's Compensation Fund - \$20,000: Higher than anticipated claims.

Fund 791 Employee Benefits Fund - \$100,000: Higher than anticipated leave payouts.

City Manager's Authority Report

Pursuant to the City Council Policy 18-05 – Report on delegation of authority to City Manager, Page 20 of Attachment 1 lists the contracts and or agreements between \$25,000 to \$60,000, or the limit of the California Uniform Public Construction Cost

Accounting Act (CUPCCAA), entered into by the City Manager since the last report from April 6, 2022 through August 8, 2022.

COMMUNITY ENGAGEMENT:

Inform

Finance staff prepares these financial reports to inform City officials, the Council, the community, and various lenders and stakeholders about the financial health of the organization, which assists each one of the interested parties in making sound financial and investment decisions.

ALTERNATIVE ACTIONS:

Not Applicable

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council receives and files the financial and investment report for each month. At the September 16, 2015 meeting, City Council recommended monthly financial and investment reports be agendaized under the Consent Agenda, and quarterly financial and investment reports be presented to City Council as an "Other Business" item. Beginning in FY 2020-21, budget reports are presented to the City Council monthly.

FISCAL AND RESOURCE IMPACT:

The preparation of the report is a part of the Finance workplan.

CEQA (California Environmental Quality Act):

Not a Project

Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

CITY OF MORGAN HILL
Monthly Financial and Investment Reports
June 30, 2022 - 100% of Year Complete



CITY OF MORGAN HILL

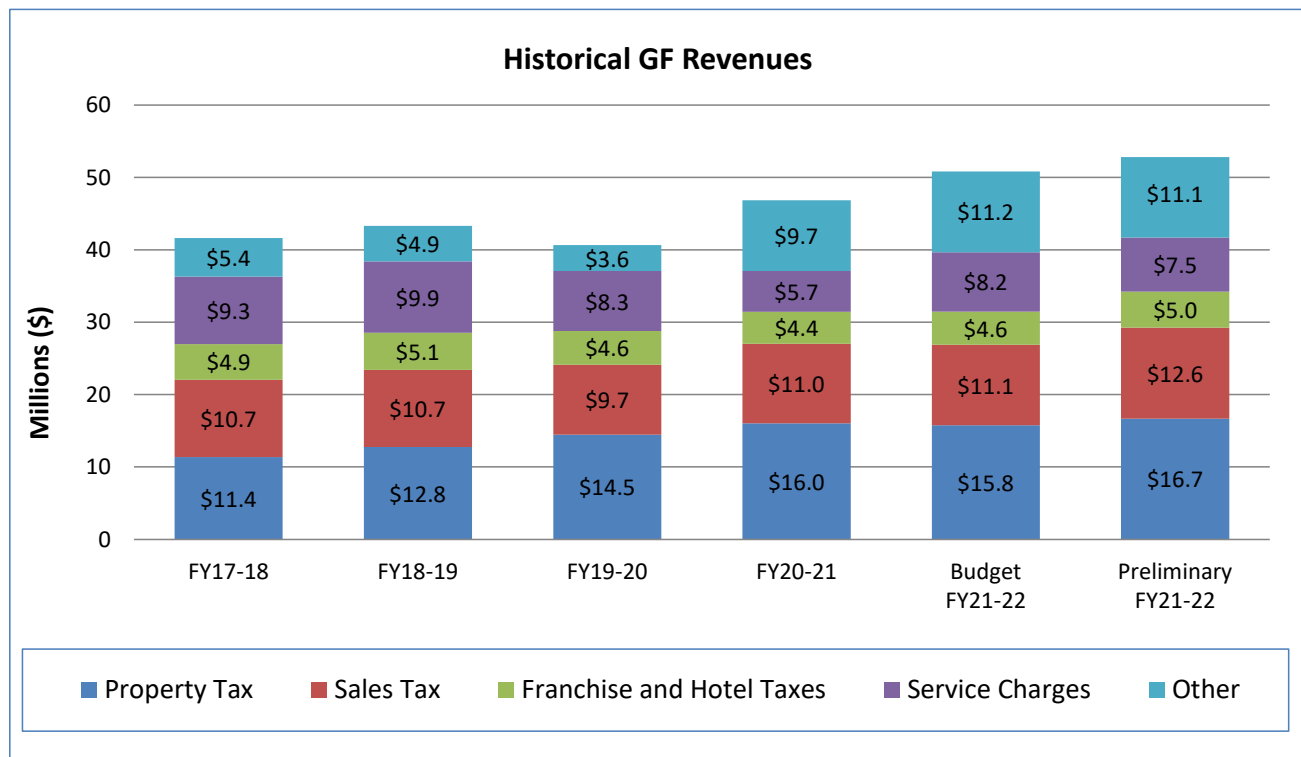
Prepared by:
FINANCE DIVISION



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2021-22
FOR THE MONTH ENDED JUNE 2022 – 100% OF YEAR COMPLETE

- **General Fund** – Preliminary revenues for the fiscal year ending June 30, 2022 totaled \$52.8 million. This is mainly due to higher tax collections. TOT and recreation services revenues continued to be negatively impacted from the pandemic. However, TOT came in 10% higher or approximately \$0.2 million more than the reduced budget. In addition, recreation services performed better than budget on a net basis.

The chart below shows historical General Fund revenues by major revenue category from FY17-18 through FY20-21 Actual, FY21-22 Budget, and Preliminary FY21-22.

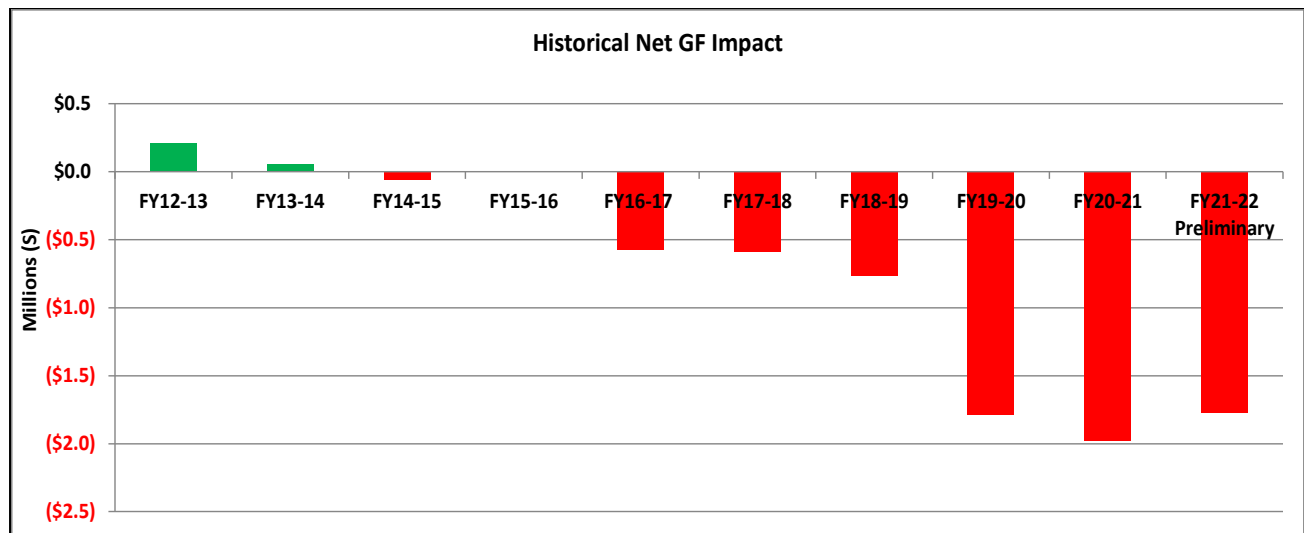


Expenditures, including encumbrances, totaled \$48.4 million, compared to amended budget of \$51.0 million. FY 2021-22 general fund expenditures came in better than anticipated partially due to cost containment strategies implemented due to the reduction in operating hours at the Centennial Recreation Center (CRC) and Aquatics Center (AC), conservative spending, higher vacancy savings, and better performance in Development Services Fund 206, which expects a loan from the General Fund of only \$0.3 million for FY 2021-22 versus \$1.0 million as budgeted.

- **Community Services** – The Community Services Department’s recreation operations, as reflected in the schedule presented on page 7 of the Monthly Financial and Investments Reports, shows a negative impact to the General Fund of approximately \$1.8 million for FY 21-22. However, this is better than the budgeted net impact to the General Fund of \$2.2 million. The large operating loss for recreation operations reflects the restrictions and limited opening of recreation facilities since March 2020 due to the shelter-in-place order as a result of the coronavirus pandemic resulting in lower than anticipated membership number as well as facilities rental.



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2021-22
FOR THE MONTH ENDED JUNE 2022 – 100% OF YEAR COMPLETE



Due to longstanding governmental accounting and budgeting convention, the City's recreation operations are not charged for indirect costs (known in Morgan Hill as "General Fund Administration") from the central services departments of City Attorney, City Manager, and Administrative Services. The City's other governmental funds, such as Development Services, and the proprietary funds, such as Water and Wastewater, and the Information Services Fund, are assessed such charges through the City's indirect cost allocation plan, prepared in compliance with the guidelines set forth in the Code of Federal Regulations Title 2, Chapter II, Part 200 (formerly OMB Circular No. A-87), which mandates certain calculation and cost allocation practices that must be followed in order to qualify for Federal grant funding, but which also represent best practice for non-grant funded City operations like utilities and information services.

- **Development Services Fund** – Preliminary revenues, excluding the \$0.3 million loan from the General Fund, for the fiscal year ending June 30, 2022 totaled \$5.7 million. This is partially due to a result of the fees increase approved by the City Council on January 19, 2022 and increased construction activity. Expenditures, including encumbrances, totaled \$5.4 million, resulting in a net excess of approximately \$0.3 million. As a result of better performance of the Development Services Fund, it is anticipated the fund will only require a loan from the General Fund of \$0.3 million versus \$1.0 million as budgeted.
- **Debt Service Funds** – Expenditures for the fiscal year ending June 30, 2022 totaled \$0.7 million. The debt service for the first half of the year includes both interest and principal, while the second half of the year will include interest only. Debt service payments were all scheduled when the bonds were issued, and are budgeted for in the months delineated in the underlying bond documents. The General Fund's portion of the annual debt service payments is approximately \$200,000, less than one percent of the General Fund's budgeted revenues.
- **Wastewater Operations** – Preliminary revenues from Sewer Operations for the fiscal year ending June 30, 2022 totaled \$14.8 million. Expenditures and outstanding encumbrances totaled \$14.0 million. The table below shows historical Sewer Operations revenues and expenditures from FY17-18 through FY20-21 Actual, FY21-22 Budget, and Preliminary FY21-22.



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2021-22
FOR THE MONTH ENDED JUNE 2022 – 100% OF YEAR COMPLETE

(amount in millions)	FY17-18	FY18-19	FY19-20	FY20-21	Budget FY21-22	Preliminary FY21-22
Revenues	10.3	11.4	11.9	13.3	14.1	14.8
Expenditures	10.8	11.4	12.3	13.3	14.1	14.0
Operating Margin	(0.5)	-	(0.4)	-	-	0.8
Operating Margin without Encumbrances	(0.3)	0.4	(0.1)	-	-	0.9

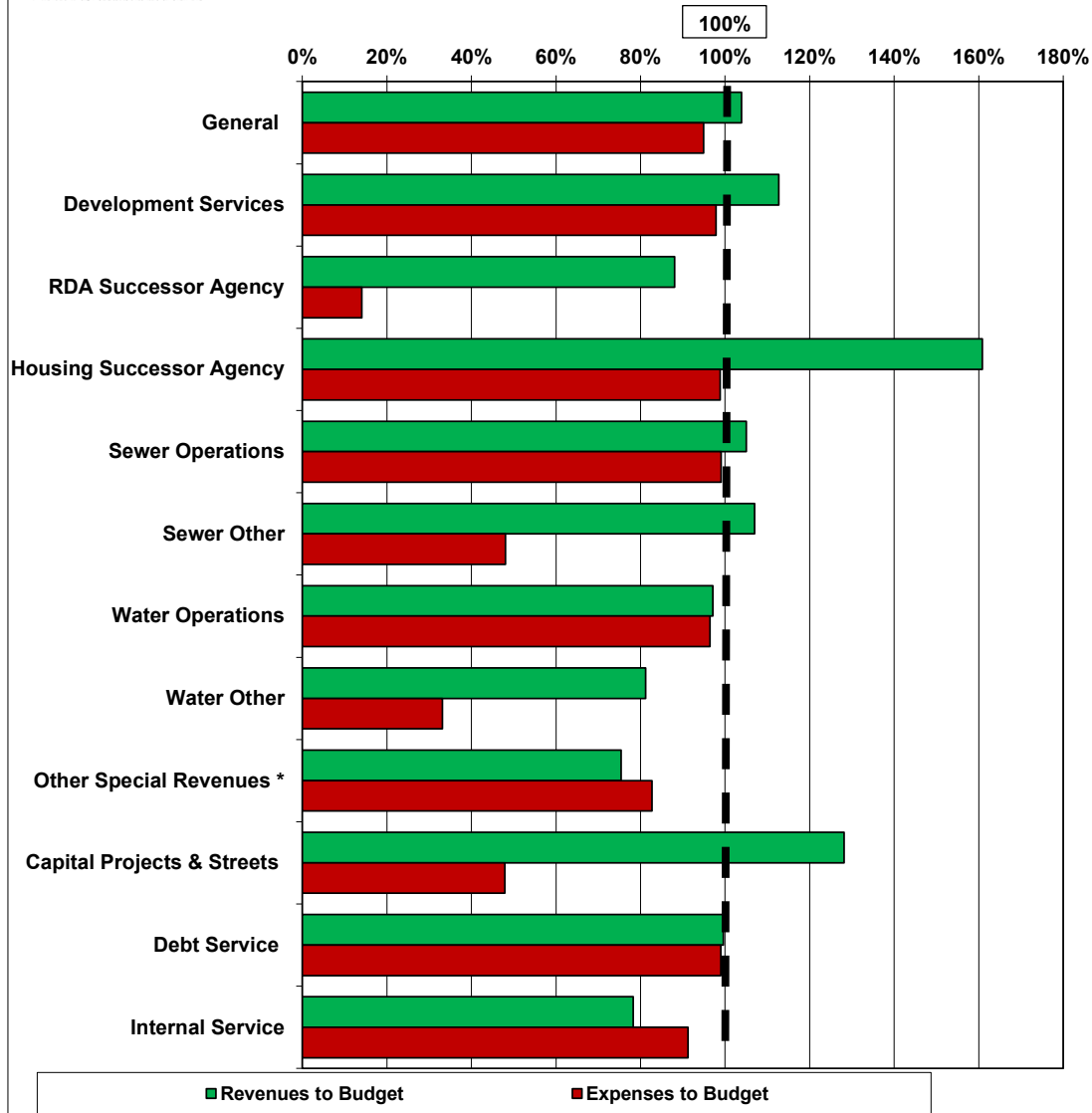
- **Water Operations** – Water Operations includes Utility Billing, Water Conservation, and Water Operations. Preliminary revenues from Water Operations for the fiscal year ending June 30, 2022 totaled \$15.9 million. Water Operations expenditures, including outstanding encumbrances, totaled \$15.9 million. The table below shows Water Operations revenues and expenditures from FY17-18 through FY20-21 Actual, FY21-22 Budget, and Preliminary FY21-22

(amount in millions)	FY17-18	FY18-19	FY19-20	FY20-21	Budget FY21-22	Preliminary FY21-22
Revenues	13.0	14.2	15.3	16.5	16.3	15.9
Expenditures	12.1	14.3	16.4	16.5	16.4	15.9
Operating Margin	0.9	(0.1)	(1.1)	-	(0.1)	-
Operating Margin without Encumbrances	1.4	0.8	(0.1)	-	(0.1)	0.6

- **Investments** – Two securities were purchased. Total interest earnings received on investments were \$71,000 during the month.



Morgan Hill YTD Revenue & Expense Summary June 30, 2022 - 100% of Year Complete



FUND NAME	REVENUES		EXPENSES	
	ACTUAL	% OF BUDGET	ACTUAL PLUS ENCUMBRANCES	% OF BUDGET
General	\$ 52,811,036	104%	\$ 48,376,661	95%
Development Services	5,963,871	113%	5,437,443	98%
RDA Successor Agency	6,254,848	88%	972,935	14%
Housing Successor Agency	346,319	161%	991,745	99%
Sewer Operations	14,821,986	105%	13,995,323	99%
Sewer Other	12,807,876	107%	21,615,774	48%
Water Operations	15,866,318	97%	15,851,370	96%
Water Other	5,709,485	81%	3,249,345	33%
Other Special Revenues *	4,202,933	75%	4,089,560	83%
Capital Projects & Streets	29,481,442	128%	32,145,506	48%
Debt Service	690,197	100%	687,301	99%
Internal Service	10,170,675	78%	10,182,131	91%
TOTAL FOR ALL FUNDS	\$ 159,126,985	103%	\$ 157,595,093	67%

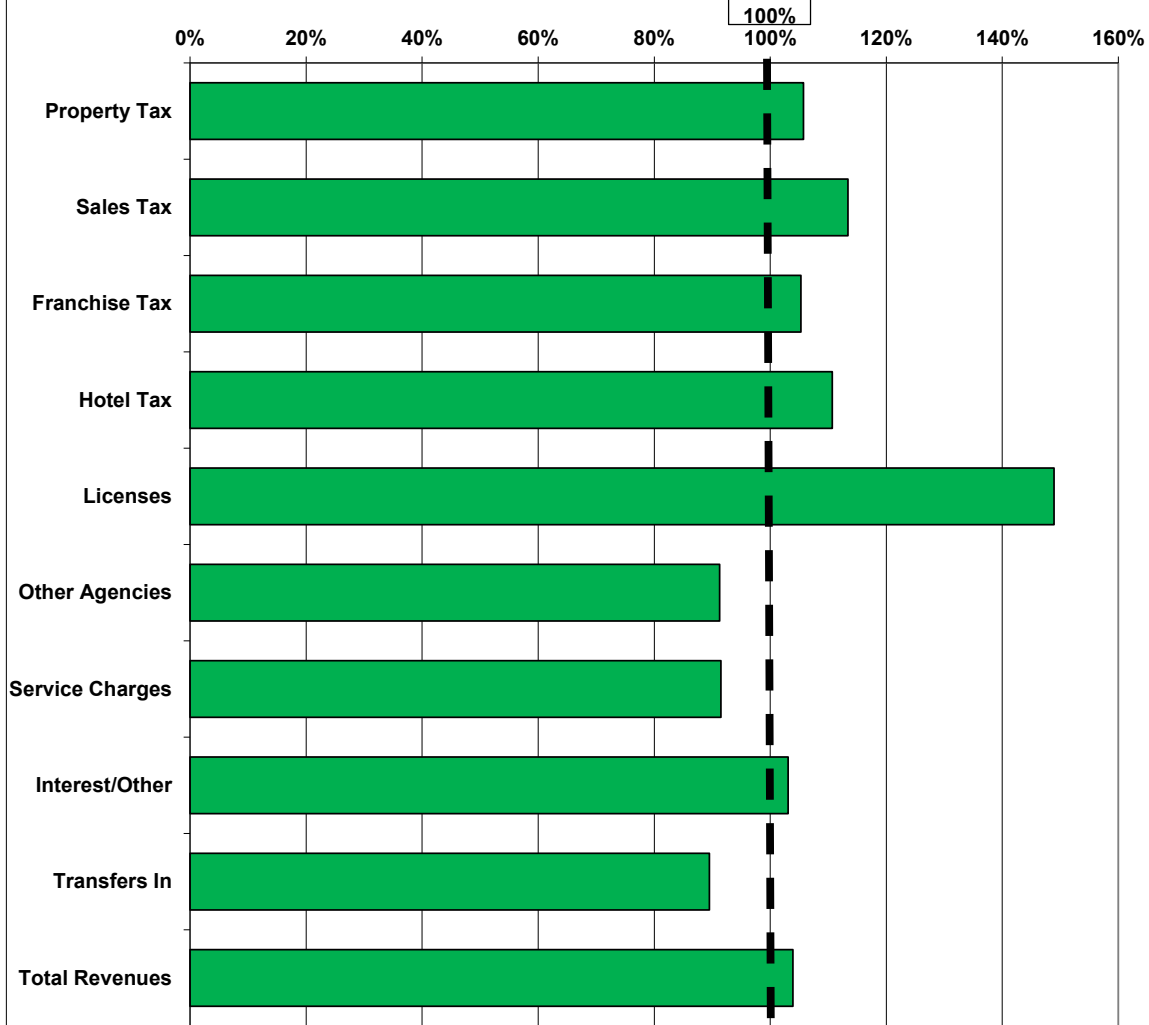
* Includes all Special Revenue Funds except Development Services Fund, Street Funds, and RDA and Housing Successor Agencies.



Morgan Hill YTD General Fund Revenues

June 30, 2022 - 100% of Year Complete

Percent of Actual to Budget



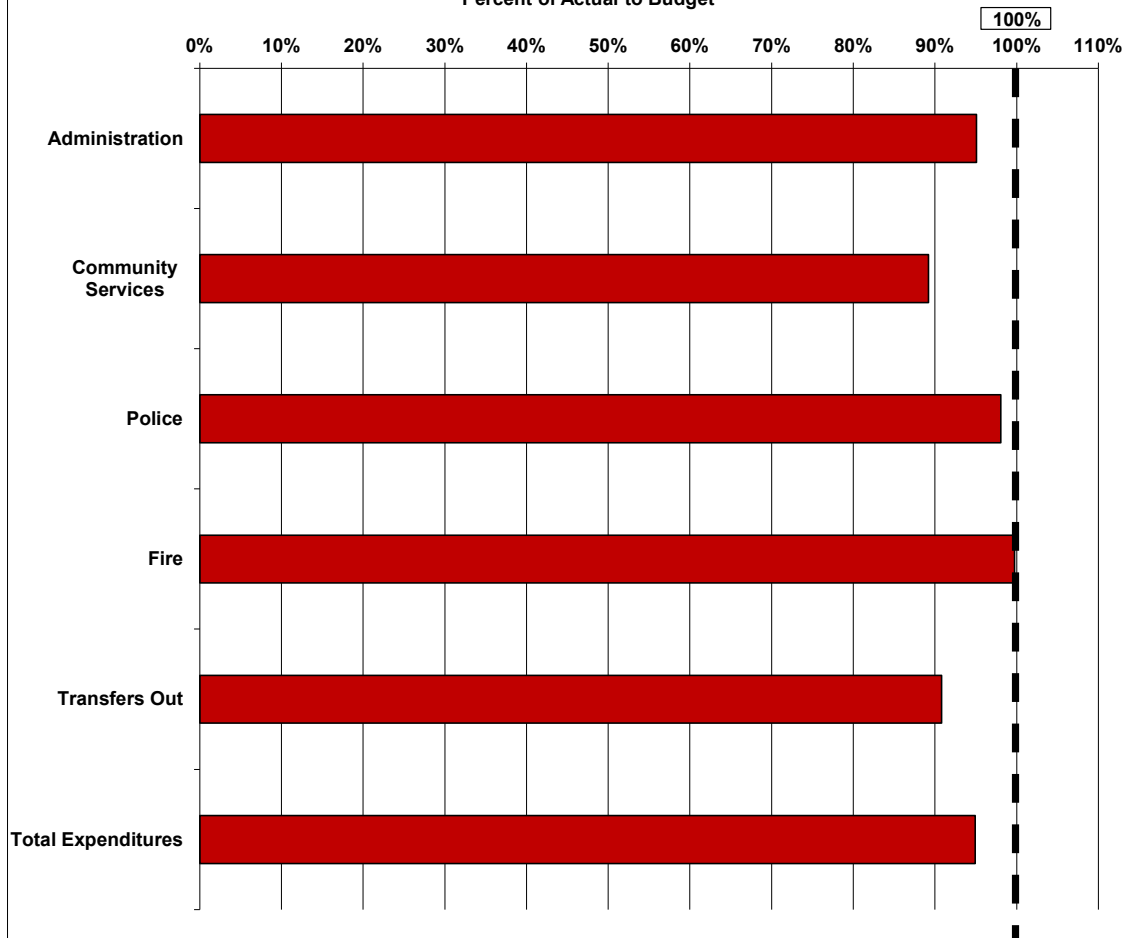
REVENUE CATEGORY	BUDGET	ACTUAL	% OF BUDGET	PRIOR YEAR TO DATE	% CHANGE FROM PRIOR YEAR
Property Tax	\$ 15,771,000	\$ 16,662,896	106%	\$ 15,549,159	7%
Sales Tax	11,098,601	12,588,779	113%	10,345,833	22%
Franchise Tax	2,375,000	2,500,244	105%	2,384,106	5%
Hotel Tax	2,235,300	2,473,941	111%	1,290,059	92%
Licenses	198,825	296,029	149%	141,280	110%
Other Agencies	653,658	596,719	91%	513,710	16%
Service Charges	8,164,851	7,470,155	92%	5,660,095	32%
Interest/Other	7,230,495	7,453,458	103%	1,816,366	310%
Transfers In	3,093,579	2,768,816	90%	2,492,675	11%
TOTAL REVENUES	\$ 50,821,309	\$ 52,811,036	104%	\$ 40,193,283	31%



Morgan Hill YTD General Fund Expenditures

June 30, 2022 - 100% of Year Complete

Percent of Actual to Budget



EXPENDITURE CATEGORY	BUDGET	ACTUAL PLUS ENCUMBRANCES	% OF BUDGET	PRIOR YTD PLUS ENCUMBRANCES	% CHANGE FROM PRIOR YEAR
Administration	\$ 5,793,826	\$ 5,509,640	95%	\$ 4,418,900	25%
Community Services	13,947,066	12,438,824	89%	9,652,752	29%
Police	19,133,242	18,761,776	98%	17,253,544	9%
Fire	7,788,401	7,767,501	100%	6,313,455	23%
Transfers Out	4,294,211	3,898,920	91%	1,845,164	111%
TOTAL EXPENDITURES	\$ 50,956,746	\$ 48,376,661	95%	\$ 39,483,815	23%

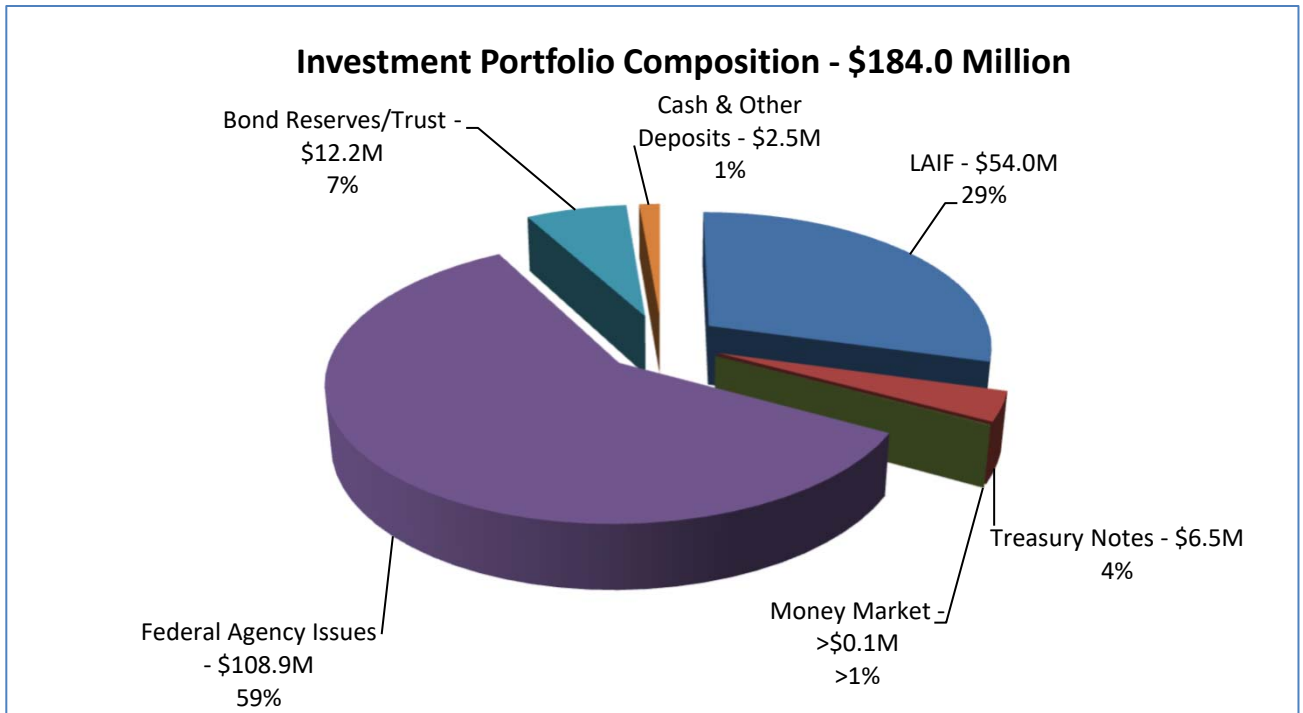


**City of Morgan Hill
Recreation Report - Fiscal Year 2021-22
For the Month and Twelve Months Ended June 30, 2022
100% of Year Complete**

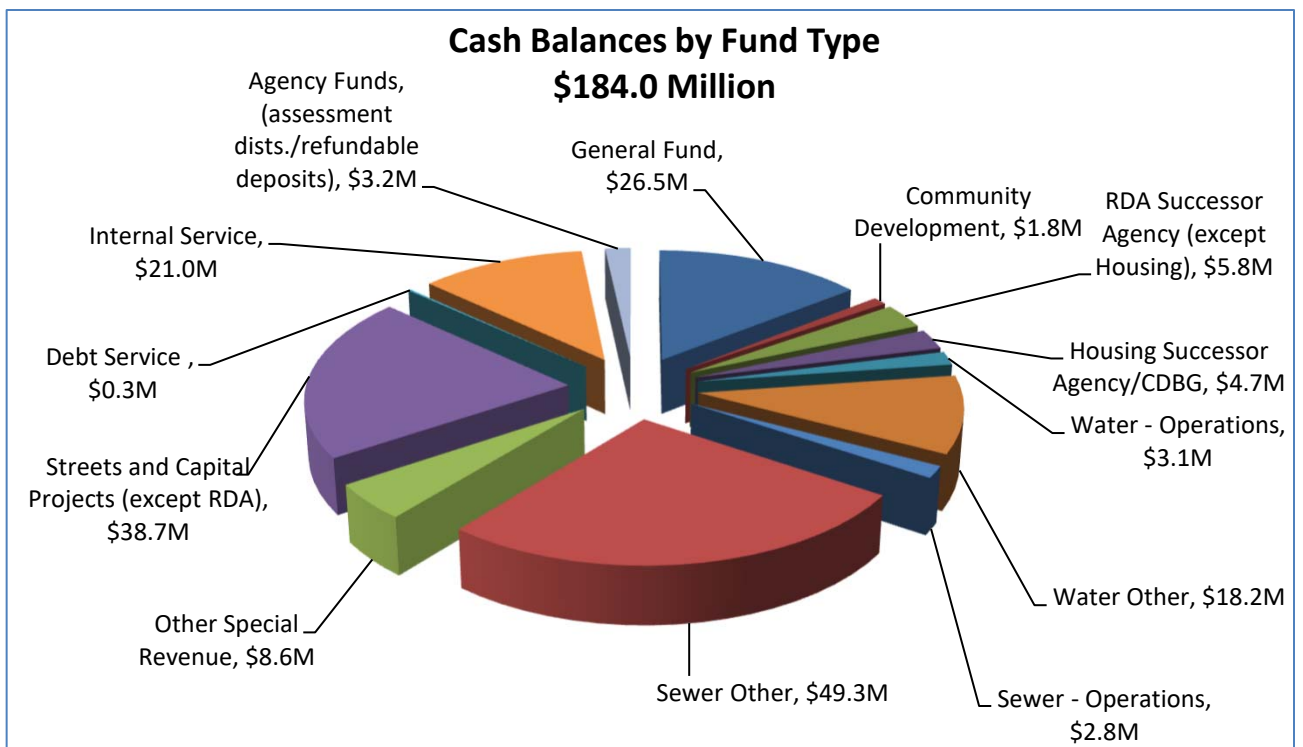
	<u>Budget</u>	<u>June 2022</u>	<u>YTD</u>	<u>% of Budget</u>
Revenues				
Membership Services & Rec Programs	\$ 4,713,801	\$ 465,377	\$ 4,375,261	
Facility Rentals	506,683	50,934	629,511	
Community Services	79,000	6,781	114,707	
Transfers in	75,000	6,250	75,000	
Total Revenues	<u>\$ 5,374,484</u>	<u>\$ 529,342</u>	<u>\$ 5,194,479</u>	97%
Less: Expenditures				
Membership & Program Services	\$ 6,240,277	\$ 757,260	\$ 5,556,955	
Facility Rentals	716,081	56,086	552,642	
Community Services	641,554	61,202	520,429	
Total Expenditures	<u>\$ 7,597,913</u>	<u>\$ 874,547</u>	<u>\$ 6,630,025</u>	87%
Net Impact without encumbrances	<u>\$ (2,223,429)</u>	<u>\$ (345,206)</u>	<u>\$ (1,435,547)</u>	
Encumbrances	-	-	336,725	
Net Impact with encumbrances	<u>\$ (2,223,429)</u>	<u>\$ (345,206)</u>	<u>\$ (1,772,272)</u>	

City of Morgan Hill Monthly Investment Report - June 30, 2022

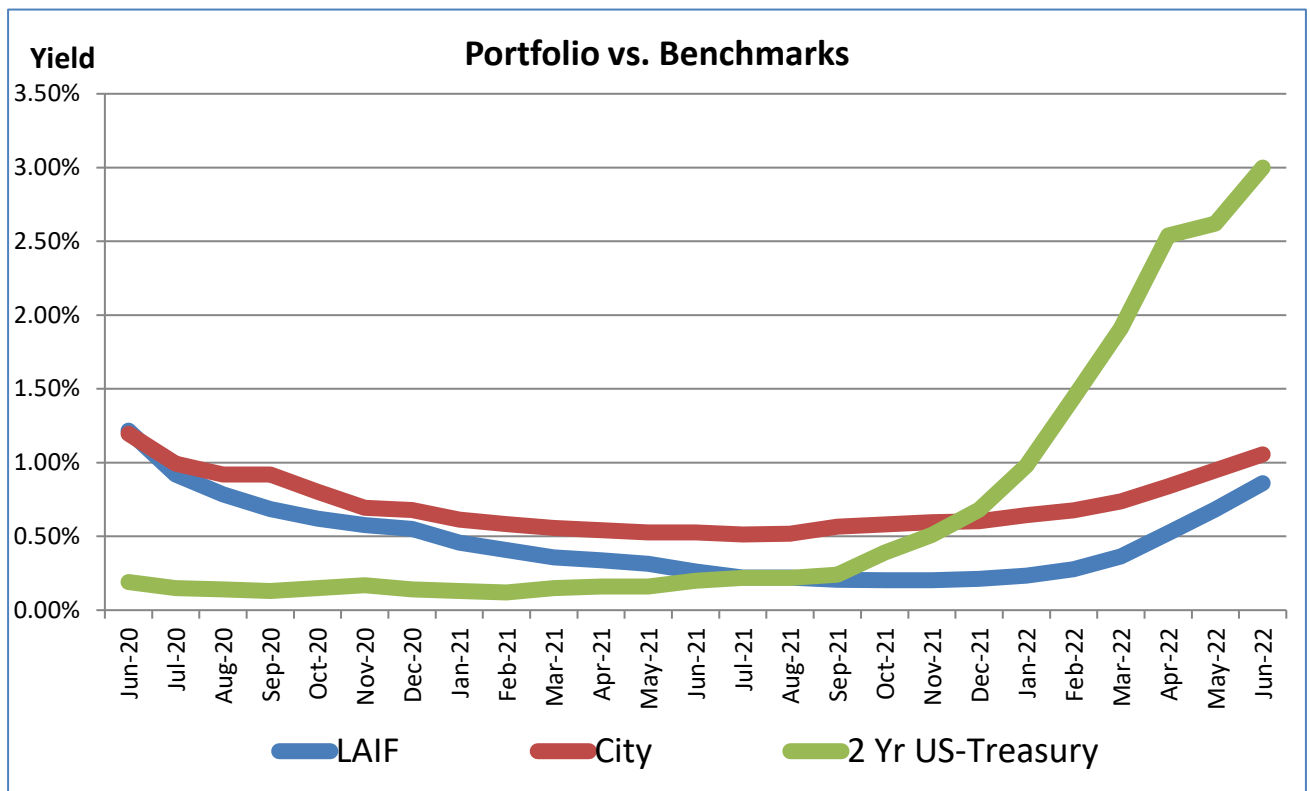
The following are the snapshots of City's investment portfolio as of June 30, 2022. The first chart shows the portfolio composition by investment type:



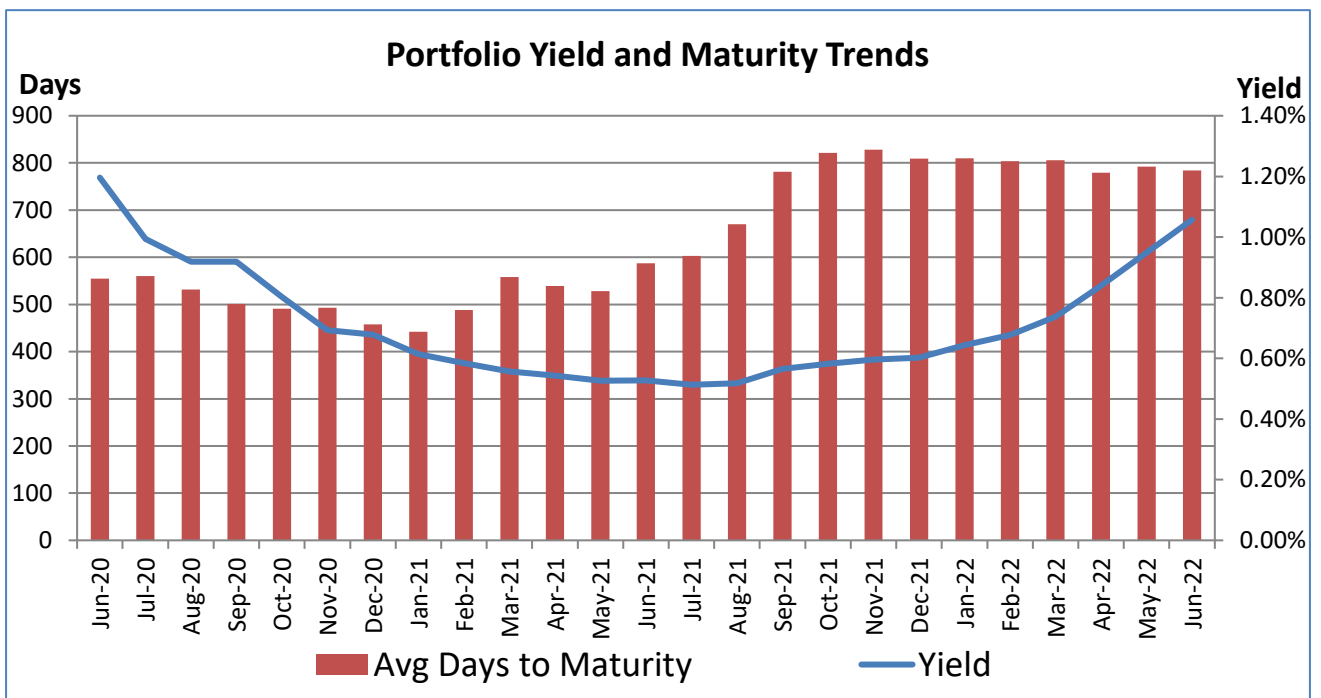
The chart below shows cash balances by fund type reconciled to the City's financial system:



The following chart illustrates a yield comparison by month among the City's portfolio, LAIF and 2-Year US Treasury:



The chart below illustrates monthly average days to maturity of the City's portfolio along with the weighted average yield for the past two years:





City of Morgan Hill
Investment Portfolio Detail
As of June 30, 2022

Investment Type	Settlement Date	Book Value	% of Portfolio	Market Value	YTM at Cost	Next Call Date	Date of Maturity
L A I F		\$ 53,958,339	29.32%	\$ 53,351,499	0.86%		
Federal Agency Issues and Treasury Notes							
Treasury Note	4/30/2018	4,461,383	2.42%	4,457,295	2.73%	3/31/2023	3/31/2023
Treasury Note	10/8/2021	1,989,456	1.08%	1,826,560	0.88%	9/30/2026	9/30/2026
Treasury Note	1/4/2022	1,999,350	1.09%	1,934,840	0.77%	12/31/2023	12/31/2023
Treasury Note	1/19/2022	1,992,037	1.08%	1,934,840	1.02%	12/31/2023	12/31/2023
Treasury Note	2/11/2022	1,982,228	1.08%	1,935,320	1.44%	1/31/2024	1/31/2024
Treasury Note	3/28/2022	1,996,773	1.08%	1,973,900	2.34%	4/30/2024	4/30/2024
Treasury Note	4/12/2022	1,988,247	1.08%	1,969,380	1.79%	06/30/2023	6/30/2023
Treasury Note	6/13/2022	1,905,690	1.04%	1,912,180	3.16%	11/15/2026	11/15/2026
FFCB Bond	4/8/2020	2,000,000	1.09%	1,926,340	0.88%	10/8/2022	4/8/2024
FFCB Bond	5/27/2020	2,000,000	1.09%	1,863,120	0.73%	11/27/2022	5/27/2025
FHLMC Bond	6/3/2020	2,000,000	1.09%	1,886,220	0.60%	12/3/2022	12/3/2024
FHLMC Bond	10/20/2020	2,000,000	1.09%	1,834,220	0.60%	10/20/2022	10/20/2025
FHLMC Bond	10/27/2020	2,000,000	1.09%	1,838,860	0.63%	10/27/2022	10/27/2025
FHLMC Bond	11/2/2020	2,000,000	1.09%	1,931,620	0.32%	11/2/2022	11/2/2023
FFCB Bond	11/3/2020	2,000,000	1.09%	1,824,200	0.54%	11/3/2022	11/3/2025
FNMA Bond	11/18/2020	2,000,000	1.09%	1,845,020	0.65%	11/18/2022	11/18/2025
FHLMC Bond	11/24/2020	2,000,000	1.09%	1,841,780	0.64%	11/24/2022	11/24/2025
FFCB Bond	11/24/2020	1,000,000	0.54%	918,690	0.60%	11/24/2022	11/24/2025
FHLMC Bond	11/25/2020	3,000,000	1.63%	2,749,740	0.63%	11/25/2022	11/25/2025
FHLMC Bond	11/30/2020	2,000,000	1.09%	1,837,720	0.65%	11/26/2022	11/26/2025
FFCB Bond	12/22/2020	2,000,000	1.09%	1,837,820	0.47%	12/22/2022	12/22/2025
FHLB Bond	1/22/2021	2,000,000	1.09%	1,827,160	0.63%	7/22/2022	1/22/2026
FNMA Bond	1/28/2021	2,000,000	1.09%	1,829,740	0.55%	7/28/2022	1/28/2026
FHLB Bond	1/28/2021	2,000,000	1.09%	1,846,600	0.65%	7/28/2022	1/28/2026
FHLB Bond	2/24/2021	2,000,000	1.09%	1,824,500	0.75%	8/24/2022	2/24/2026
FHLB Bond	2/25/2021	2,000,000	1.09%	1,843,940	0.66%	8/25/2022	2/25/2026
FHLB Bond	2/26/2021	2,000,000	1.09%	1,823,260	0.65%	8/26/2022	2/26/2026
FHLB Bond	3/10/2021	2,000,000	1.09%	1,851,720	0.85%	9/10/2022	3/10/2026
FHLB Bond	3/16/2021	2,000,000	1.09%	1,844,440	0.70%	9/16/2022	3/16/2026
FHLB Bond	3/16/2021	2,000,000	1.09%	1,847,680	0.80%	9/16/2022	3/16/2026
FHLB Bond	6/9/2021	2,000,000	1.09%	1,863,240	1.08%	12/9/2022	6/9/2026
FHLB Bond	6/30/2021	2,000,000	1.09%	1,853,260	1.00%	12/30/2022	6/30/2026
FHLB Bond	7/15/2021	3,000,000	1.63%	2,790,600	1.13%	7/15/2022	7/15/2026
FHLB Bond	7/15/2021	2,000,000	1.09%	1,881,160	0.85%	7/15/2022	7/15/2025
FHLB Bond	8/26/2021	2,000,000	1.09%	1,840,140	0.80%	8/26/2022	8/26/2026
FHLB Bond	8/26/2021	3,000,000	1.63%	2,779,410	1.00%	8/26/2022	8/26/2026
FHLB Bond	8/26/2021	2,000,000	1.09%	1,839,560	0.90%	8/26/2022	8/26/2026
FHLB Bond	9/13/2021	2,086,845	1.13%	1,894,000	0.82%	9/11/2022	9/11/2026
FFCB Bond	9/28/2021	1,985,561	1.08%	1,820,040	0.98%	9/10/2022	9/10/2026
FHLB Bond	9/29/2021	3,000,000	1.63%	2,742,780	1.13%	9/29/2022	9/29/2026
FHLB Bond	9/30/2021	2,000,000	1.09%	1,832,060	0.88%	9/30/2022	9/30/2026
FHLB Bond	9/30/2021	3,000,000	1.63%	2,770,920	1.05%	9/30/2022	9/30/2026
FHLB Bond	9/30/2021	3,000,000	1.63%	2,767,650	1.02%	9/30/2022	9/30/2026
FHLB Bond	10/19/2021	2,000,000	1.09%	1,836,360	1.00%	10/19/2022	10/19/2026
FHLB Bond	11/18/2021	2,000,000	1.09%	1,867,240	1.30%	11/18/2022	11/18/2026
FHLB Bond	12/29/2021	2,000,000	1.09%	1,938,060	0.75%	12/29/2022	12/29/2023
FHLB Bond	1/19/2022	2,000,000	1.09%	1,891,100	1.74%	7/19/2022	1/19/2027
FHLB Bond	1/25/2022	2,000,000	1.09%	1,926,580	1.51%	7/25/2022	7/25/2025
FHLB Bond	3/10/2022	2,000,000	1.09%	1,957,360	3.48%	9/10/2022	3/10/2027
FHLB Bond	3/30/2022	3,000,000	1.63%	2,981,220	1.62%	9/30/2022	3/30/2023
FHLMC Bond	5/3/2022	1,961,090	1.07%	1,946,560	2.25%	12/26/2022	6/26/2023
FHLB Bond	5/27/2022	3,000,000	1.63%	2,984,250	1.88%	11/23/2022	2/23/2023
FHLMC Bond	6/15/2022	2,000,000	1.09%	1,992,120	3.28%	12/15/2022	12/15/2025
Sub Total/Average		\$ 115,348,659	62.68%	\$ 108,614,375	1.17%		
Money Market		\$ 53,539	0.03%	\$ 53,539	1.34%		
Total City Managed/Average		\$ 169,360,537	92.03%	\$ 162,019,413	1.07%		
Bond Reserve Accounts - Held By Trustees		\$ 6,994,305	3.80%	\$ 6,994,305			
Cash/Deposits		\$ 2,493,277	1.35%	\$ 2,493,277			
PARS and CALPERS CERBT Trust		\$ 5,187,404	2.82%	\$ 5,518,547			
GRAND TOTAL/AVERAGE		\$ 184,035,523	100%	\$ 177,025,541			



CITY OF MORGAN HILL CASH AND INVESTMENT REPORT
FOR THE MONTH OF JUNE 30, 2022
FOR THE FISCAL YEAR OF 2021-22

	Invested in Fund	Yield	Book Value End of Month	% of Total	Market Value
Investments					
State Treasurer LAIF - City	All Funds Pooled	0.86%	\$ 38,695,924	21.03%	\$ 38,260,732
2015 Wastewater Rev Bonds - CIP	Wastewater Fund	0.86%	15,262,415	8.29%	15,090,767
Federal Issues	All Funds Pooled	1.02%	97,033,496	52.73%	90,670,060
US Treasury Notes	All Funds Pooled	1.91%	18,315,164	9.95%	17,944,315
Dreyfus Treas Cash Management Acct	All Funds Pooled	1.34%	53,539	0.03%	53,539
	SUBTOTAL		\$ 169,360,537	92.03%	\$ 162,019,413
Bond Reserve Accounts - held by trustees					
Zions Bank - Civic Center/Library Facility					
Blackrock Liq Fund	Debt Service	0.41%	1	0.00%	1
Zions Bank - MH Police Facility Lease Revenue Bonds					
Blackrock Liq Fund	Debt Service	0.41%	2	0.00%	2
BNY - RDA Bonds					
Dreyfus Cash Mgmt 521	Successor Fund	0.00%	5,783,086	3.14%	5,783,086
Zions Bank - MH Ranch 2015					
Blackrock Liq Funds Fed Fund -DI -2015	Agency Fund	0.41%	614,537	0.33%	614,537
Zions Bank - Madrone Bus Park Taxable/ Tax Exempt 2015					
Blackrock Liquidity Temp Fund-2015	Agency Fund	0.41%	596,678	0.32%	596,678
	SUBTOTAL		6,994,305	3.80%	6,994,305
Other Cash/Deposits					
General Checking	All Funds		2,456,165	1.33%	2,456,165
Workers' Comp Administrators	Workers' Comp		30,000	0.02%	30,000
Petty Cash & Emergency Cash	General Fund		7,112	0.00%	7,112
CALPERS CERBT - OPEB Trust			3,487,404	1.89%	3,711,959
PARS - PENSION Trust			1,700,000	0.92%	1,806,588
	SUBTOTAL		7,680,681	4.17%	8,011,823
Total Cash and Investments			\$ 184,035,523	100.00%	\$ 177,025,541

CASH ACTIVITY SUMMARY
FY 2021-22

Fund Type	07/1/21 Balance	Change in Cash Balance	6/30/2022 Balance
General Fund	\$ 19,007,873	\$ 7,522,925	\$ 26,530,799
Community Development	1,077,499	721,439	1,798,938
RDA Successor Agency (except Housing)	508,427	5,281,915	5,790,342
Housing Successor Agency/ CDBG	4,307,419	359,608	4,667,028
Water - Operations	2,573,349	563,817	3,137,166
Water Other	15,405,786	2,815,255	18,221,042
Sewer - Operations	1,593,140	1,202,800	2,795,940
Sewer Other	57,221,072	(7,912,805)	49,308,266
Other Special Revenue	7,425,644	1,171,868	8,597,513
Streets and Capital Projects (except RDA)	37,931,830	720,213	38,652,043
Debt Service	337,123	3,062	340,186
Internal Service	19,378,242	1,601,282	20,979,524
Agency Funds (assessment dists./refundable deposits)	3,356,940	(140,203)	3,216,737
Total	\$ 170,124,346	\$ 13,911,177	\$ 184,035,523

Note: See Investment Portfolio Detail for maturities of "Investments." Market values are obtained from the City's investment brokers' monthly reports.

I certify the information in the investment reports has been reconciled to the general ledger and bank statements and that there are sufficient funds to meet the expenditure requirements of the City for the next six months. The portfolio is in compliance with the City of Morgan Hill investment policy and all State laws and regulations.

Prepared by:

Gina Nazareno, Senior Accountant

Approved by:

Caitlin Jachimowicz, Treasurer

Reviewed by:

Dat Nguyen, Finance Director



City of Morgan Hill
Year to Date Revenues - Fiscal Year 2021-22
For The Twelve Months Ended June 30, 2022
100% of Year Complete

FUND REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% CHANGE
010 GENERAL FUND							
TAXES							
Property Tax - Secured/Unsecured	\$ 13,485,000	13,485,000	\$ 14,076,650	104%	\$ 12,548,327	\$ 1,528,323	12%
Property Tax - RPTTF Residual Distribution	2,144,000	2,144,000	2,286,330	107%	2,594,999	(308,670)	-12%
Property Tax - Supplemental Roll	142,000	142,000	299,916	211%	405,833	(105,916)	-26%
Sales Tax	10,699,601	10,699,601	12,116,272	113%	9,940,321	2,175,951	22%
Public Safety Sales Tax	399,000	399,000	472,506	118%	405,511	66,995	17%
Transient Occupancy Taxes	2,235,300	2,235,300	2,473,941	111%	1,290,059	1,183,881	92%
Franchise (Refuse ,Cable ,PG&E)	2,375,000	2,375,000	2,500,244	105%	2,384,106	116,138	5%
Property Transfer Tax	541,000	541,000	843,893	156%	646,892	197,001	30%
TOTAL TAXES	32,020,901	32,020,901	35,069,752	110%	30,216,048	4,853,704	16%
LICENSES/PERMITS							
Business License	159,135	159,135	188,254	118%	136,791	51,463	38%
Other Permits	39,690	39,690	107,776	272%	4,489	103,287	2301%
TOTAL LICENSES/PERMITS	198,825	198,825	296,029	149%	141,280	154,749	110%
FINES AND PENALTIES							
Parking Enforcement	8,240	8,240	4,729	57%	3,809	920	24%
Bails & Fines	75,854	75,854	50,864	67%	45,832	5,032	11%
Administrative Citations	10,331	10,331	-	n/a	16,043	(16,043)	-100%
TOTAL FINES AND PENALTIES	94,425	94,425	55,593	59%	65,684	(10,091)	-15%
OTHER AGENCIES							
Motor Vehicle in-Lieu	26,026	26,026	54,729	210%	40,357	14,372	36%
Other Revenue - Other Agencies	437,794	653,658	596,719	91%	513,710	83,009	16%
TOTAL OTHER AGENCIES	463,820	679,684	651,449	96%	554,067	97,381	18%
CHARGES CURRENT SERVICES							
Police False Alarm Charge	31,340	31,340	30,794	98%	50,190	(19,396)	-39%
Business License Application Review	38,007	38,007	47,828	126%	54,432	(6,603)	-12%
Membership Services & Rec Programs	4,238,989	4,713,801	4,375,261	93%	2,994,955	1,380,306	46%
Facility Rentals	945,931	506,683	629,511	124%	122,222	507,289	415%
Community Services	126,449	79,000	114,707	145%	41,188	73,519	178%
General Administration Overhead	1,825,440	1,825,440	1,532,304	84%	1,787,564	(255,260)	-14%
Other Charges Current Services	970,580	970,580	739,750	76%	609,545	130,205	21%
TOTAL CURRENT SERVICES	8,176,736	8,164,851	7,470,155	91%	5,660,095	1,810,059	32%
OTHER REVENUE							
Use of money/property	823,436	823,436	666,298	81%	650,728	15,570	2%
Other Revenues	5,961,472	5,745,608	5,832,945	102%	412,706	5,420,239	1313%
TOTAL OTHER REVENUE	6,784,908	6,569,044	6,499,242	99%	1,063,434	5,435,809	511%
TRANSFERS IN							
One Time Transfer	180,000	180,000	180,000	100%	179,984	16	0%
Public Safety Facilities Fund	25,000	25,000	25,000	100%	25,000	-	0%
Supplemental Law Enforcement Fund	100,000	100,000	100,000	100%	100,000	-	n/a
Countywide Solid Waste	324,763	649,526	324,763	50%	54,127	270,636	500%
Streets	699,735	699,735	699,735	100%	699,696	39	0%
Park Maintenance	650,000	650,000	650,000	100%	650,004	(4)	0%
Sewer Operations	357,159	357,159	357,159	100%	354,432	2,727	1%
Water Operations	357,159	357,159	357,159	100%	354,432	2,727	1%
Park Development	75,000	75,000	75,000	100%	75,000	-	n/a
TOTAL TRANSFERS IN	2,768,816	3,093,579	2,768,816	90%	2,492,675	276,141	11%
TOTAL GENERAL FUND	50,508,431	50,821,309	52,811,036	104%	40,193,283	12,617,753	31%
SPECIAL REVENUE FUNDS							
202 STREET MAINTENANCE							
Gas Tax 2105 - 2107.5	699,735	699,735	697,199	100%	705,863	(8,664)	-1%
Interest / Other Revenue/Other Charges	-	-	848	n/a	881	(33)	-4%
202 STREET MAINTENANCE	699,735	699,735	698,046	100%	706,744	(8,697)	-1%



City of Morgan Hill
Year to Date Revenues - Fiscal Year 2021-22
For The Twelve Months Ended June 30, 2022
100% of Year Complete

FUND REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% CHANGE
SPECIAL REVENUE FUNDS							
205 SUPPLEMENTAL LAW ENFORCEMENT FUND							
Interest Income	858	858	1,192	139%	1,089	103	9%
Police Grant/SLEF/JAG	100,000	100,000	161,285	161%	156,727	4,558	3%
205 SUPPLEMENTAL LAW ENFORCEMENT FUND	100,858	100,858	162,477	161%	157,816	4,662	3%
206 DEVELOPMENT SERVICES							
Building Fees	3,195,787	3,195,787	3,465,220	108%	2,739,017	726,203	27%
Planning Fees	766,776	766,776	724,891	95%	984,893	(260,002)	-26%
Engineering Fees	999,810	999,810	1,172,819	117%	708,938	463,881	65%
Other Revenue/Current Charges	330,747	330,747	600,941	182%	146,556	454,385	310%
206 DEVELOPMENT SERVICES	5,293,120	5,293,120	5,963,871	113%	4,579,404	1,384,467	30%
207 LONG RANGE PLANNING	869,266	869,266	850,165	98%	710,721	139,444	20%
215 and 216 HCD BLOCK GRANT							
Interest Income/Other Revenue	3,173	3,173	352	11%	434	(82)	-19%
215 and 216 HCD BLOCK GRANT	3,173	3,173	352	11%	434	(82)	-19%
225 ASSET SEIZURE	1,931	1,931	726	38%	932	(206)	-22%
229 LIGHTING AND LANDSCAPE	2,573	2,573	187,615	7292%	187,823	(208)	0%
230 COMMUNITY FACILITIES DISTRICT	1,240	1,240	21,304	1718%	37,094	(15,790)	-43%
232 ENVIRONMENTAL PROGRAMS	481,008	481,008	473,038	98%	473,146	(108)	0%
234 MOBILE HOME PARK RENT STAB.	757	757	8,179	1080%	3,829	4,349	114%
235 SENIOR HOUSING	3,869	3,869	1,263	33%	1,525	(262)	-17%
236 HOUSING MITIGATION	2,446,028	2,596,028	966,636	37%	2,168,772	(1,202,136)	-55%
237 BEGIN	-	-	247,939	n/a	1,207	246,732	20437%
238 CAL HOMES	-	-	437	n/a	81,151	(80,713)	-99%
240 EMPLOYEE ASSISTANCE	29,089	29,089	10,359	36%	16,741	(6,382)	-38%
246 COUNTYWIDE SOLID WASTE	-	1,481,421	1,268,286	86%	54,127	1,214,159	2243%
247 ENVIRONMENT REMEDIATION	2,448	2,448	3,057	125%	1,740	1,317	76%
250 COMH-SUCCESSOR AGENCY-MHRDA	7,100,496	7,100,496	6,254,848	88%	896,941	5,357,907	597%
255 HOUSING SUCCESSOR AGENCY	215,318	215,318	346,319	161%	754,760	(408,442)	-54%
260 PUBLIC ART	-	-	1,100	n/a	69,000	(67,900)	-98%
TOTAL SPECIAL REVENUE FUNDS	17,250,910	18,882,331	17,466,016	92%	10,903,906	6,562,110	60%
CAPITAL PROJECTS FUNDS							
301 PARK DEVELOPMENT	1,748,480	7,131,498	6,217,429	87%	2,993,314	3,224,115	108%
302 PARK MAINTENANCE	360,613	360,613	539,847	150%	60,521	479,327	792%
303 LOCAL DRAINAGE	1,675,036	1,675,036	1,365,844	82%	2,421,399	(1,055,556)	-44%
304 LOCAL DRAINAGE/NON AB1600	80,692	80,692	179,662	223%	28,337	151,325	534%
306 AGRICULTURE & OPEN SPACE PRESERVATION	180,385	180,385	154,307	86%	257,230	(102,922)	-40%
308 STREET CIP	4,050,523	4,050,523	5,451,284	135%	2,411,807	3,039,477	126%
309 TRAFFIC IMPACT	1,468,388	1,468,388	8,996,809	613%	5,254,630	3,742,179	71%
315 PUBLIC SAFETY FACILITIES IMPACT	864,417	864,417	238,539	28%	430,209	(191,670)	-45%
346 PUBLIC FACILITIES NON-AB1600	611,488	1,122,018	2,484,256	221%	886,892	1,597,365	180%
347 PUBLIC FACILITIES IMPACT	265,536	265,536	55,096	21%	249,545	(194,449)	-78%
348 LIBRARY	1,077,617	1,077,617	244,475	23%	518,956	(274,481)	-53%
350 UNDERGROUNDING	86,073	86,073	636,255	739%	108,159	528,096	488%
355 SCHOOL PEDESTRIAN/TRAFFIC SAFETY	591,967	591,967	1,025,669	173%	300,383	725,286	241%
360 COMMUNITY/REC IMPACT FUND	1,730,018	1,730,018	284,969	16%	1,042,497	(757,528)	-73%
375 QUIMBY FEE	1,623,552	1,623,552	908,954	56%	-	908,954	n/a
TOTAL CAPITAL PROJECTS FUNDS	16,414,785	22,308,333	28,783,396	129%	16,963,878	11,819,518	70%
DEBT SERVICE FUNDS							
420 CIVIC CENTER DEBT	307,385	307,385	305,829	99%	310,477	(4,647)	-1%
441 POLICE FACILITY BOND	385,639	385,639	384,368	100%	484,035	(99,668)	-21%
TOTAL DEBT SERVICE FUNDS	693,024	693,024	690,197	100%	794,512	(104,315)	-13%



City of Morgan Hill
Year to Date Revenues - Fiscal Year 2021-22
For The Twelve Months Ended June 30, 2022
100% of Year Complete

FUND REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% CHANGE
ENTERPRISE FUNDS							
640 SEWER OPERATION							
Sewer Service Fees	13,812,501	13,812,501	14,275,253	103%	13,048,252	1,227,000	9%
Interest Income/Transfers	37,425	37,425	14,913	40%	20,536	(5,623)	-27%
Other Revenue/Current Charges	268,241	268,241	531,821	198%	274,828	256,993	94%
640 SEWER OPERATION	14,118,167	14,118,167	14,821,986	105%	13,343,615	1,478,371	11%
641 SEWER EXPANSION							
Interest Income	220,194	220,194	121,374	55%	149,198	(27,824)	-19%
Development Impact Fee	6,845,919	6,845,919	7,788,625	114%	2,699,288	5,089,337	189%
641 SEWER EXPANSION	7,066,113	7,066,113	7,909,999	112%	2,848,486	5,061,513	178%
642 SEWER RATE STABILIZATION	195,311	195,311	164,906	84%	17,512	147,394	842%
643 SEWER-CAPITAL PROJECT	4,707,648	4,707,648	4,732,971	101%	5,492,143	(759,172)	-14%
TOTAL SEWER FUNDS	26,087,239	26,087,239	27,629,862	106%	21,701,756	5,928,106	27%
650 WATER OPERATION							
Water Sales	15,179,148	15,179,148	14,080,307	93%	14,975,143	(894,836)	-6%
Meter Install & Service	25,215	25,215	137,455	545%	105,826	31,629	30%
Transfers-In / Interest Income	546,952	546,952	505,479	92%	463,728	41,751	9%
Other Revenue/Current Charges	585,381	585,381	1,143,077	195%	997,092	145,985	15%
650 WATER OPERATION	16,336,696	16,336,696	15,866,318	97%	16,541,789	(675,471)	-4%
651 WATER EXPANSION							
Interest Income/Other Revenue/Transfer	64,003	64,003	17,838	28%	21,610	(3,771)	-17%
Development Impact Fee	1,782,143	1,782,143	460,913	26%	1,177,287	(716,374)	-61%
651 WATER EXPANSION	1,846,146	1,846,146	478,751	26%	1,198,897	(720,145)	-60%
652 Water Rate Stabilization	141,222	141,222	142,376	101%	66,024	76,352	116%
653 Water Capital Project	5,047,350	5,047,350	5,088,357	101%	5,684,415	(596,058)	-10%
TOTAL WATER FUNDS	23,371,414	23,371,414	21,575,803	92%	23,491,124	(1,915,322)	-8%
TOTAL ENTERPRISE FUNDS	49,458,653	49,458,653	49,205,665	99%	45,192,881	4,012,784	9%
INTERNAL SERVICE FUNDS							
730 INFORMATION SYSTEMS	1,952,577	2,247,577	2,253,358	100%	1,882,014	371,344	20%
740 BUILDING MAINTENANCE	3,409,334	3,409,334	1,130,729	33%	2,668,920	(1,538,191)	-58%
741 BUILDING REPLACEMENT	745,508	755,508	717,030	95%	679,786	37,245	5%
745 CIP ADMINISTRATION	1,798,889	1,798,889	1,759,344	98%	969,055	790,289	82%
760 UNEMPLOYMENT INSURANCE	2,513	2,513	1,743	69%	300,738	(298,995)	-99%
770 WORKERS COMPENSATION	913,504	913,504	779,525	85%	749,194	30,331	4%
790 EQUIPMENT REPLACEMENT	1,086,223	1,086,223	1,197,962	110%	1,592,681	(394,719)	-25%
791 EMPLOYEE BENEFITS	1,043,858	1,043,858	608,985	58%	598,122	10,863	2%
795 GENERAL LIABILITY INSURANCE	1,504,188	1,737,188	1,721,999	99%	1,463,586	258,414	18%
TOTAL INTERNAL SERVICE FUNDS	12,456,594	12,994,594	10,170,675	78%	10,904,095	(733,420)	-7%
TOTAL FOR ALL FUNDS	\$ 146,782,397	\$ 155,158,244	\$ 159,126,985	103%	\$ 124,952,554	\$ 34,174,430	27%



City of Morgan Hill
Year to Date Expenses - Fiscal Year 2021-22
For the Month and Twelve Months Ended Jun 30, 2022
100% of Year Complete

FUND NO.	FUND/ACTIVITY	CURRENT MONTH ACTUAL EXPENSES	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET	PRIOR YTD
010 GENERAL FUND								
I. ADMINISTRATION								
	CITY COUNCIL	\$ 51,847	\$ 348,850	\$ 343,348	\$ 27,107	\$ 370,455	106%	\$ 263,939
	CITY ATTORNEY	80,365	802,889	719,485	119,225	838,710	104%	685,200
	CITY MANAGER	37,453	638,262	594,620	5,000	599,620	94%	495,878
	HUMAN RESOURCES	67,051	830,904	706,948	-	706,948	85%	642,201
	COUNCIL SVCS & RECORDS MGMT							
	Council Svcs & Records Mgmt	46,490	672,320	567,825	-	567,825	84%	632,336
	Elections	3,460	28,180	27,295	-	27,295	97%	232,006
	COUNCIL SVCS & RECORDS MGMT	49,950	700,500	595,120	-	595,120	85%	864,342
	FINANCE	299,853	2,472,421	1,722,371	676,417	2,398,788	97%	1,467,341
	TOTAL ADMINISTRATION	586,519	5,793,826	4,681,891	827,749	5,509,640	95%	4,418,900
II. COMMUNITY SERVICES								
	Membership Services & Rec. Programs	757,260	6,240,277	5,556,955	305,188	5,862,143	94%	3,957,280
	Recreation Facility Rentals	56,086	716,081	552,642	5,938	558,579	78%	769,150
	Community Services	61,202	641,554	520,429	25,599	546,028	85%	484,977
	Park Maintenance	125,520	1,179,250	1,058,038	10,729	1,068,768	91%	1,057,814
	Environmental Services	16,574	349,129	207,919	-	207,919	60%	210,964
	Countywide Solid Waste Program	26,857	303,550	224,726	-	224,726	74%	13,896
	Street Maintenance	312,558	2,662,248	2,408,760	7,133	2,415,892	91%	2,382,741
	Downtown Maintenance	27,170	318,869	262,398	3,176	265,574	83%	224,928
	Cable Television	1,833	34,272	41,359	-	41,359	121%	22,577
	COMMUNITY SERVICES	1,385,060	12,445,230	10,833,226	357,763	11,190,988	90%	9,124,327
	CODE COMPLIANCE	16,850	174,873	177,673	-	177,673	102%	164,777
	INFRASTRUCTURE PLANNING & CONGESTION MGMT	25,313	356,583	321,499	-	321,499	90%	338,605
	ECONOMIC DEVELOPMENT PROGRAMS	76,238	970,380	699,076	49,588	748,663	77%	528,285
	TOTAL COMMUNITY SERVICES	1,503,461	13,947,066	12,031,473	407,351	12,438,824	89%	10,155,995
III. PUBLIC SAFETY								
	POLICE							
	PD Administration	176,104	1,421,383	1,695,024	-	1,695,024	119%	1,450,348
	Field Operations	961,444	9,314,988	9,211,477	6,994	9,218,471	99%	8,486,704
	Support Services	223,493	2,596,110	2,536,476	-	2,536,476	98%	2,285,475
	Emergency Services/Haz Mat	41,306	202,072	217,754	-	217,754	108%	189,532
	Special Operations	283,866	3,700,816	3,266,132	-	3,266,132	88%	3,099,510
	Dispatch Services	192,914	1,897,873	1,827,919	-	1,827,919	96%	1,741,976
	POLICE	1,879,127	19,133,242	18,754,781	6,994	18,761,776	98%	17,253,544
	FIRE	620,935	7,788,401	7,397,932	369,569	7,767,501	100%	6,313,455
	TOTAL PUBLIC SAFETY	2,500,062	26,921,643	26,152,713	376,563	26,529,276	99%	23,566,999
IV. TRANSFERS								
	Other	110,559	4,294,211	3,898,920	-	3,898,920	91%	1,845,164
	TOTAL TRANSFERS	110,559	4,294,211	3,898,920	-	3,898,920	91%	1,845,164
	TOTAL GENERAL FUND	4,700,601	50,956,746	46,764,998	1,611,663	48,376,661	95%	39,987,058



City of Morgan Hill
Year to Date Expenses - Fiscal Year 2021-22
For the Month and Twelve Months Ended Jun 30, 2022
100% of Year Complete

FUND NO.	FUND/ACTIVITY	CURRENT MONTH ACTUAL EXPENSES	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET	PRIOR YTD
SPECIAL REVENUE FUNDS								
202	STREET MAINTENANCE	361	704,068	704,068	-	704,068	100%	703,920
205	PUBLIC SAFETY/SUPP.LAW	604	107,245	107,248	-	107,248	100%	107,068
206	DEVELOPMENT SERVICES FUND							
	Planning	197,407	1,956,314	1,695,674	-	1,695,674	87%	1,536,940
	Building	232,461	2,233,914	2,172,294	69,331	2,241,626	100%	2,035,941
	Engineering	154,082	1,366,129	1,500,142	-	1,500,142	110%	1,405,585
206	DEVELOPMENT SERVICES FUND	583,949	5,556,356	5,368,111	69,331	5,437,443	98%	4,978,466
207	LONG RANGE PLANNING	82,728	861,202	686,822	8,408	695,230	81%	826,266
215/216	CDBG	458	5,499	5,496	-	5,496	100%	5,364
225	ASSET SEIZURE	-	54,232	14,232	-	14,232	26%	-
229	LIGHTING AND LANDSCAPE	28,720	168,130	160,110	1,551	161,661	96%	168,766
230	COMMUNITY FACILITIES DISTRICT	6,287	42,093	26,503	-	26,503	63%	25,637
232	ENVIRONMENT PROGRAMS	59,325	508,715	429,871	-	429,871	85%	420,877
234	MOBILE HOME PARK	37	449	444	-	444	99%	444
236	HOUSING MITIGATION	497,537	1,495,875	1,175,375	80,427	1,255,802	84%	778,259
237	BEGIN	-	-	110,000	-	110,000	n/a	-
240	EMPLOYEE ASSISTANCE	86	28,531	10,043	-	10,043	35%	10,910
246	COUNTYWIDE SOLID WASTE PROGRAM	442,345	1,481,421	1,268,287	-	1,268,287	86%	54,127
250	COMH-SUCCESSOR AGENCY-MHRDA	581	6,939,408	972,935	-	972,935	14%	5,021,940
255	HOUSING SUCCESSOR AGENCY	88,010	1,003,785	991,745	-	991,745	99%	987,036
260	PUBLIC ART	-	23,500	4,743	-	4,743	20%	-
TOTAL SPECIAL REVENUE FUNDS		1,791,028	18,980,509	12,036,032	159,718	12,195,750	64%	14,091,761
CAPITAL PROJECT FUNDS								
301	PARK DEVELOPMENT	941,770	9,738,856	7,294,436	-	7,294,436	75%	6,032,594
302	PARK MAINTENANCE	54,297	745,776	665,130	-	665,130	89%	696,849
303	LOCAL DRAINAGE	32,342	6,997,265	154,604	-	154,604	2%	2,505,837
304	LOCAL DRAIN. NON-AB1600	26,602	833,046	35,375	-	35,375	4%	199,075
306	AGRICULTURE & OPEN SPACE PRESERVATI	86,526	5,480,009	5,574,807	-	5,574,807	102%	109,766
308	STREET CIP	(62,051)	6,587,142	3,040,040	28,233	3,068,273	47%	2,842,191
309	TRAFFIC IMPACT	1,085,241	30,480,782	10,191,198	17,360	10,208,558	33%	3,484,855
315	PUBLIC SAFETY FACILITIES IMPACT	119,104	565,180	510,499	728,200	1,238,699	219%	234,329
346	PUBLIC FAC.NON AB1600	170,589	1,351,905	315,040	119,045	434,085	32%	174,051
347	PUBLIC FACILITIES IMPACT	2,277	27,331	27,324	-	27,324	100%	45,713
348	LIBRARY IMPACT	18,154	216,704	218,430	-	218,430	101%	705,298
350	UNDERGROUNDING	256,532	139,398	22,618	-	22,618	16%	1,104
355	SCHOOL PEDESTRIAN & TRAFFIC SAFETY	26,250	1,160,466	1,253,652	21,253	1,274,905	110%	1,172,873
360	COMM/REC CENTER IMPACT	17,990	1,454,834	281,141	775,504	1,056,645	73%	1,715,282
375	QUIMBY FEE	70,248	600,000	70,379	97,169	167,548	28%	-
TOTAL CAPITAL PROJECTS FUNDS		2,845,870	66,378,693	29,654,674	1,786,764	31,441,438	47%	19,919,816
DEBT SERVICE FUNDS								
420	CIVIC CENTER DEBT	886	304,947	298,079	-	298,079	98%	299,642
441	POLICE FACILITY BOND DEBT	338	389,497	389,222	-	389,222	100%	386,549
TOTAL DEBT SERVICE FUNDS		1,224	694,444	687,301	-	687,301	99%	686,191



City of Morgan Hill
Year to Date Expenses - Fiscal Year 2021-22
For the Month and Twelve Months Ended Jun 30, 2022
100% of Year Complete

FUND NO.	FUND/ACTIVITY	CURRENT MONTH ACTUAL EXPENSES	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET	PRIOR YTD
ENTERPRISE FUNDS								
SEWER								
640	SEWER OPERATIONS	1,656,677	14,126,884	13,865,415	129,908	13,995,323	99%	13,245,059
641	SEWER CAPITAL EXPANSION	737,455	22,987,165	7,492,893	1,015,597	8,508,490	37%	863,140
642	SEWER RATE STABILIZATION	95	1,138	1,140	-	1,140	100%	1,116
643	SEWER-CAPITAL PROJECTS	4,700,976	22,004,075	12,338,781	767,363	13,106,144	60%	3,252,007
TOTAL SEWER FUND(S)		7,095,203	59,119,262	33,698,230	1,912,868	35,611,097	60%	17,361,322
WATER								
	Water Operations	1,934,517	15,292,037	14,239,200	552,233	14,791,433	97%	15,490,263
	Utility Billing	85,971	985,735	910,660	17,016	927,676	94%	874,824
	Water Conservation	20,926	157,768	132,262	-	132,262	84%	86,502
650	WATER OPERATIONS	2,041,414	16,435,540	15,282,121	569,249	15,851,370	96%	16,451,589
651	WATER CAPITAL EXPANSION	113,128	2,281,063	840,363	-	840,363	37%	595,697
652	WATER RATE STABILIZATION	31	371	372	-	372	100%	360
653	WATER-CAPITAL PROJECTS	182,620	7,534,033	2,199,097	209,513	2,408,610	32%	1,447,741
TOTAL WATER FUND(S)		2,337,193	26,251,006	18,321,953	778,762	19,100,715	73%	18,495,386
TOTAL ENTERPRISE FUNDS		9,432,395	85,370,268	52,020,183	2,691,630	54,711,812	64%	35,856,709
INTERNAL SERVICE FUNDS								
730	INFORMATION SYSTEMS	589,040	2,732,628	2,205,668	136,953	2,342,621	86%	1,729,439
740	BUILDING MAINTENANCE	187,939	1,287,566	1,252,181	35,129	1,287,310	100%	2,817,614
741	BUILDING REPLACEMENT	28,759	610,000	381,413	21,320	402,733	66%	142,375
745	CIP ADMINISTRATION	207,134	1,735,361	1,733,849	-	1,733,849	100%	1,648,872
760	UNEMPLOYMENT	7,856	20,000	14,220	-	14,220	71%	30,327
770	WORKERS COMPENSATION	56,737	876,877	890,850	-	890,850	102%	670,563
790	EQUIPMENT REPLACEMENT	59,138	1,546,014	786,914	323,248	1,110,162	72%	1,436,153
791	EMPLOYEE BENEFITS FUND	28,219	625,000	679,967	-	679,967	109%	650,446
795	GEN. LIABILITY INSURANCE	-	1,724,061	1,715,769	4,650	1,720,419	100%	1,382,699
TOTAL INTERNAL SERVICE FUNDS		1,164,823	11,157,508	9,660,832	521,300	10,182,131	91%	10,508,491
REPORT TOTAL		\$ 19,935,942	\$ 233,538,168	\$ 150,824,018	\$ 6,771,074	\$ 157,595,093	67%	\$ 121,050,024



City of Morgan Hill
Fund Activity Summary - Fiscal Year 2021-22
For The Twelve Months Ended June 30, 2022
100% of Year Complete

Fund No.	Fund	Fund Balance 06-30-21	Revenues		Expenses		Year to-Date Deficit or Carryover	Ending Fund Balance	
			YTD Actual	% of Budget	YTD Actual	% of Budget		Reserved ¹	Unreserved
010	GENERAL FUND	\$ 24,896,179	\$ 52,811,036	104%	\$ 46,764,998	92%	\$ 6,046,038	\$ 1,611,663	\$ 29,330,554
TOTAL GENERAL FUND		\$ 24,896,179	\$ 52,811,036	104%	\$ 46,764,998	92%	\$ 6,046,038	\$ 1,611,663	\$ 29,330,554
202	STREET MAINTENANCE	6,241	\$ 698,046	100%	\$ 704,068	97%	\$ (6,022)	\$ -	\$ 219
205	PUBLIC SAFETY/SUPPL. LAW	195,819	162,477	161%	107,248	110%	55,229	-	251,048
206	DEVELOPMENT SERVICES	(484,553)	5,963,871	113%	5,368,111	97%	595,760	69,331	41,875
207	LONG RANGE PLANNING	1,250,193	850,165	98%	686,822	80%	163,343	8,408	1,405,128
215 / 216	CDBG	34,893	352	11%	5,496	100%	(5,144)	-	29,749
225	ASSET SEIZURE	143,259	726	38%	14,232	n/a	(13,507)	-	129,752
229	LIGHTING AND LANDSCAPE	172,706	187,615	7292%	160,110	95%	27,505	1,551	198,660
230	COMMUNITY FACILITIES DISTRICT	137,840	21,304	1718%	26,503	63%	(5,199)	-	132,641
232	ENVIRONMENTAL PROGRAMS	213,442	473,038	98%	429,871	85%	43,167	-	256,609
234	MOBILE HOME PK RENT STAB.	58,766	8,179	1080%	444	99%	7,735	-	66,501
235	SENIOR HOUSING	234,588	1,263	33%	-	n/a	1,263	-	235,851
236	HOUSING MITIGATION	5,407,291	966,636	37%	1,175,375	79%	(208,739)	80,427	5,118,125
237	BEGIN	320,727	247,939	n/a	110,000	n/a	137,939	-	458,666
238	CAL HOMES	276	437	n/a	-	n/a	437	-	713
240	EMPLOYEE ASSISTANCE	62,190	10,359	36%	10,043	35%	316	-	62,506
246	COUNTYWIDE SOLID WASTE		1,268,286	125%	1,268,287	86%	(0)	-	(0)
247	ENVIRONMENT REMEDIATION	135,927	3,057	125%	-	n/a	3,057	-	138,984
250	COMH-SUCCESSOR AGENCY-MHRDA	(493,066)	6,254,848	88%	972,935	14%	5,281,913	5,783,086	(994,239)
255	HOUSING SUCCESSOR AGENCY	4,287,939	346,319	161%	991,745	99%	(645,426)	-	3,642,513
260	PUBLIC ART	70,772	1,100	n/a	4,743		(3,643)	-	67,129
TOTAL SPECIAL REVENUE FUNDS		\$ 11,755,250	\$ 17,466,016	92%	\$ 12,036,032	63%	\$ 5,429,984	\$ 5,942,804	\$ 11,242,430
301	PARK DEV. IMPACT FUND	\$ 270,918	\$ 6,217,429	87%	\$ 7,294,436	75%	\$ (1,077,007)	\$ -	\$ (806,089)
302	PARK MAINTENANCE	2,815,081	539,847	150%	665,130	89%	(125,283)	-	2,689,798
303	LOCAL DRAINAGE	10,947,520	1,365,844	82%	154,604	2%	1,211,240	-	12,158,760
304	LOCAL DRAINAGE/NON-AB1600	1,268,597	179,662	223%	35,375	4%	144,287	-	1,412,884
306	AGRICULTURE AND OPEN SPACE PRESERV	6,011,689	154,307	86%	5,574,807	102%	(5,420,499)	-	591,190
308	STREET CIP	3,538,596	5,451,284	135%	3,040,040	46%	2,411,245	28,233	5,921,608
309	TRAFFIC IMPACT FUND	2,217,293	8,996,809	613%	10,191,198	33%	(1,194,390)	17,360	1,005,543
315	PUBLIC SAFETY FACILITIES IMPACT	3,650,943	238,539	28%	510,499	90%	(271,959)	728,200	2,650,784
346	PUBLIC FACILITIES NON-AB1600	1,100,016	2,484,256	221%	315,040	23%	2,169,216	119,045	3,150,187
347	PUBLIC FACILITIES IMPACT FUND	1,034,272	55,096	21%	27,324	100%	27,772	-	1,062,044
348	LIBRARY IMPACT FUND	1,487,275	244,475	23%	218,430	101%	26,045	-	1,513,320
350	UNDERGROUNDING	1,073,838	636,255	739%	22,618	16%	613,637	-	1,687,475
355	SCHOOL PEDESTRIAN/TRAFFIC SFTY	181,922	1,025,669	173%	1,253,652	108%	(227,984)	21,253	(67,315)
360	COMM/REC CTR IMPACT FUND	1,353,501	284,969	16%	281,141	19%	3,829	775,504	581,826
375	QUIMBY FEE	-	908,954	56%	70,379	12%	838,575	97,169	741,406
TOTAL CAPITAL PROJECT FUNDS		\$ 36,951,461	\$ 28,783,396	129%	\$ 29,654,674	45%	\$ (871,278)	\$ 1,786,764	\$ 34,293,419
420	CIVIC CENTER DEBT	\$ 165,528	\$ 305,829	99%	\$ 298,079	98%	\$ 7,750	\$ 1	\$ 173,277
441	POLICE FACILITY BOND DEBT	171,762	384,368	100%	389,222	100%	(4,854)	2	166,906
TOTAL DEBT SERVICE FUNDS		\$ 337,290	\$ 690,197	100%	\$ 687,301	99%	\$ 2,896	\$ 3	\$ 340,183



City of Morgan Hill
Fund Activity Summary - Fiscal Year 2021-22
For The Twelve Months Ended June 30, 2022
100% of Year Complete

Fund No.	Fund	Fund Balance 06-30-21	Revenues		Expenses		Year to-Date Deficit or Carryover	Ending Fund Balance	
			YTD Actual	% of Budget	YTD Actual	% of Budget		Reserved ¹	Unreserved
640	SEWER OPERATIONS	\$ 3,602,581	\$ 14,821,986	105%	\$ 13,865,415	98%	\$ 956,571	129,908	4,429,244
641	SEWER IMPACT FUND*	22,121,700	7,909,999	112%	7,492,893	33%	417,106	1,015,597	21,523,209
642	SEWER RATE STABILIZATION	2,692,314	164,906	84%	1,140	100%	163,766	-	2,856,080
643	SEWER-CAPITAL PROJECTS	29,354,687	4,732,971	101%	12,338,781	56%	(7,605,810)	767,363	20,981,513
650	WATER OPERATIONS	3,580,575	15,866,318	97%	15,282,121	93%	584,197	569,249	3,595,523
651	WATER IMPACT FUND*	2,979,950	478,751	26%	840,363	37%	(361,611)	-	2,618,339
652	WATER RATE STABILIZATION	3,162,416	142,376	101%	372	100%	142,004	-	3,304,420
653	WATER -CAPITAL PROJECT	8,134,534	5,088,357	101%	2,199,097	29%	2,889,260	209,513	10,814,281
TOTAL ENTERPRISE FUNDS		\$ 75,628,757	\$ 49,205,665	99%	\$ 52,020,183	61%	\$ (2,814,517)	\$ 2,691,630	\$ 70,122,610
730	INFORMATION SERVICES	\$ 849,651	\$ 2,253,358	100%	\$ 2,205,668	81%	\$ 47,690	136,953	\$ 760,388
740	BUILDING MAINTENANCE	6,945	1,130,729	33%	1,252,181	97%	(121,452)	35,129	(149,636)
741	BUILDING REPLACEMENT	3,561,339	717,030	95%	381,413	63%	335,617	21,320	3,875,636
745	CIP ENGINEERING	55,476	1,759,344	98%	1,733,849	100%	25,495	-	80,971
760	UNEMPLOYMENT	328,958	1,743	69%	14,220	71%	(12,478)	-	316,480
770	WORKERS COMPENSATION	2,115,661	779,525	85%	890,850	102%	(111,325)	30,000	1,974,336
790	EQUIPMENT REPLACEMENT	5,996,455	1,197,962	110%	786,914	51%	411,048	323,248	6,084,255
791	EMPLOYEE BENEFITS FUNDS	(28,785)	608,985	58%	679,967	109%	(70,982)	-	(99,767)
795	GEN. LIABILITY INSURANCE	1,236,516	1,721,999	99%	1,715,769	100%	6,230	4,650	1,238,096
TOTAL INTERNAL SERVICE FUNDS		\$ 14,122,216	\$ 10,170,675	78%	\$ 9,660,832	87%	\$ 509,844	\$ 551,300	\$ 14,080,760
SUMMARY BY FUND TYPE									
GENERAL FUND GROUP		\$ 24,896,179	\$ 52,811,036	104%	\$ 46,764,998	92%	\$ 6,046,038	1,611,663	\$ 29,330,554
SPECIAL REVENUE GROUP		11,755,250	17,466,016	92%	12,036,032	63%	5,429,984	5,942,804	11,242,430
DEBT SERVICE GROUP		337,290	690,197	100%	687,301	99%	2,896	3	340,183
CAPITAL PROJECTS GROUP		36,951,461	28,783,396	129%	29,654,674	45%	(871,278)	1,786,764	34,293,419
ENTERPRISE GROUP		75,628,757	49,205,665	99%	52,020,183	61%	(2,814,517)	2,691,630	70,122,610
INTERNAL SERVICE GROUP		14,122,216	10,170,675	78%	9,660,832	87%	509,844	551,300	14,080,760
TOTAL ALL GROUPS		\$ 163,691,153	\$ 159,126,985	103%	\$ 150,824,018	65%	\$ 8,302,967	\$ 12,584,163	\$ 159,409,956

For Enterprise Funds: Unrestricted fund balance = Fund balance net of fixed assets and long-term liabilities.

*Unreserved fund balance includes bond proceeds reserved for projects listed in bond documents.

¹ Amount restricted for encumbrances, fixed asset replacement, long-term receivables, and bond reserves.

City Manager's Signature Authority
Contracts and Agreements Between \$25,000 to \$60,000 Entered Since 4/6/2022 to 8/8/2022

Vendor Name	Description of Service	Begin Date	End Date	Department	Amount
Gaylord Dance Instruction	Youth dance classes and/or camps	6/16/2022	6/30/2024	CSD	\$25,000
Kone Inc.	Elevator Service and Repair- Parking Garage and CCC	4/27/2022	9/30/2024	CSD	\$27,680
Precision Emprise dba Precision Concrete Cutting	On-call Sidewalk Assessment and Sidewalk Repairs	6/3/2022	6/30/2023	CSD	\$30,000
The Law Offices of Armando Benavides	Represent the Council in legal action	4/22/2022	8/15/2022	CAO	\$30,000
Andrew Merovich DBA Brick Tech	LEGO camps and classes	6/16/2022	6/30/2024	CSD	\$30,000
Al Ganir Tennis	Youth and adult tennis classes and/or camps	6/16/2022	6/30/2024	CSD	\$30,000
AllCode Academy, LLC DBA AllCode Academy	Youth coding classes and camps	7/12/2022	6/30/2024	CSD	\$30,000
ASG Builders, Inc.	Community Park Picnic Area Project	5/31/2022	6/30/2022	CSD	\$31,086
Keyser Marston Associates, Inc	Housing Services Analysis	7/12/2022	6/30/2024	DS	\$40,000
Services, LLC dba Mad Science of the Bay Area	Youth science camps and/or classes	6/16/2022	6/30/2024	CSD	\$40,000
Service, Inc. dba Pacific Coast Trane	Automation System Controller and Cloud Estimate	8/2/2022	10/2/2022	CSD	\$44,356
American Self Defense Academy	Youth adult self defense, karate and kempo classes	6/16/2022	6/30/2024	CSD	\$45,000
H.T. Harvey & Associates	Ecological Consultant for Maintenance and Public Works	7/12/2022	6/30/2023	CSD	\$45,000
Engeo, Inc.	Fisher Basin project soil report	7/20/2022	12/31/2022	E&U	\$45,000
NBS Government Finance Group	Consultant agreement water capacity fees and public safety impact fees	5/26/2022	12/31/2023	Admin	\$47,060
Prudential Overall Supply	Uniform Rental and Cleaning Service	7/12/2022	6/30/2024	CSD	\$49,000
Articulate Solutions, Inc.	Innovative Transit - Design Services	6/20/2022	6/30/2024	CSD	\$50,000
Union Pacific Railroad Company	Reimbursement Agreement Preliminary Engineering Services	6/23/2022	8/25/2022	E&U	\$50,000
United Security Specialist	Security for Inclement Cold Weather Shelter, etc.	6/22/2022	6/30/2024	DS	\$50,000
South County Compassion Center	Case Management for Safe Park	7/3/2022	6/30/2023	DS	\$52,000
Ross Recreation Equipment Company, Inc.	Community Park Shade Canopy Project	6/3/2022	12/31/2022	CSD	\$52,345
Renne Public Law Group	Grant Writing Support	7/28/2022	7/31/2023	CSD	\$54,000
Circle Up Education	DEI in Morgan Hill	6/28/2022	7/1/2023	DS	\$57,855
Golden Bay Construction, Inc.	Hale Extension Project	7/26/2022	8/31/2022	E&U	\$59,850
Cupertino Electric, Inc.	On-call CRC Solar Electrical Maintenance Agreement	6/3/2022	6/30/2024	CSD	\$60,000
Cotton, Shires and Associates Inc	Geological/Geotechnical Peer Review	4/24/2022	5/1/2024	DS	\$60,000
Planet Futsal, Inc. DBA Futsal Kingz	Youth futsal and soccer camps and/or classes	6/16/2022	6/30/2023	CSD	\$60,000
Burke, Williams & Sorensen, LLP	General Housing Legal Assistance	7/1/2022	6/30/2023	DS	\$60,000
DBA Skyhawks Sports Academy	Youth sports classes and camps	7/12/2022	6/30/2023	CSD	\$60,000
Coleman Security & Investigations, Inc	Security Services	7/21/2022	6/30/2023	PD	\$60,000

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE FISCAL YEAR 2021-22 AMENDED BUDGET

WHEREAS, the City of Morgan Hill Fiscal Year 2020-21 and 2021-22 Operating Budget was adopted on June 17, 2020; and

WHEREAS, modifications and amendments to the Adopted FY 2020-21 and 2021-22 City of Morgan Hill Budget can only be made in accordance with Fiscal Policy 4.D in the Adopted Budget document; and

WHEREAS, recommended amendments are needed and proposed to the City's previously adopted Budget for Fiscal Year 2021-22 to appropriate the requisite funds to implement the actions authorized by this Resolution; and

WHEREAS, the activities allowed under this Resolution do not constitute a project under the provisions of California Environmental Quality Act of 1970; and

WHEREAS, the consideration by City Council of the adoption of this Resolution has been duly noticed pursuant to applicable laws and has been placed upon the City Council Meeting Agenda on the date set forth in the Staff Report, or to such date that the City Council may have continued or deferred consideration of this Resolution, and on such date the City Council conducted a duly noticed public meeting at which the City Council provided members of the public an opportunity to comment and be heard and considered any and all testimony and other evidence provided in connection with the adoption of this Resolution; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

Section 1. Recitals. The City Council does hereby find, determine, and resolve that all of the foregoing recitals are true and correct.

Section 2. Approval and Authorization. The City Council does further resolve, order and/or direct as follows:

- a. That the City's previously adopted Fiscal Year 2021-22 Budget, as the same has been amended to date, is hereby further amended totaling \$1,042,000 in FY 2021-22; and
- b. That the City Clerk is hereby authorized and directed to forward a copy of this Resolution to the City's Finance Director, who is hereby authorized and directed to take all actions necessary to implement the terms of this Resolution pertaining to the Fiscal Year 2021-22 Budget of the City.

Section 3. This Resolution shall take effect immediately upon adoption.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Morgan Hill at a regular meeting held on the August 17, 2022.

AYES: **COUNCIL MEMBERS:**
NOES: **COUNCIL MEMBERS:**
ABSTAIN: **COUNCIL MEMBERS:**
ABSENT: **COUNCIL MEMBERS:**

APPROVED:

ATTEST:

RICH CONSTANTINE, Mayor

MICHELLE BIGELOW, City Clerk

∞ CERTIFICATION ∞

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. 22-XXX, adopted by the City Council at a regular meeting held on August 17, 2022.

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

DATE: _____

MICHELLE BIGELOW, City Clerk

CITY COUNCIL STAFF REPORT

MEETING DATE: August 17, 2022

PREPARED BY:

Angie Gonzalez, Deputy City Clerk

APPROVED BY: City Manager

APPOINT VOTING DELEGATES FOR THE 2022 CALCITIES (LEAGUE) ANNUAL CONFERENCE AND APPROVE CITY SUPPORT OF THE RESOLUTION TO BE CONSIDERED

RECOMMENDATION(S)

1. Appoint a voting delegate and up to two (2) alternate voting delegates to the CalCities Annual Conference;
2. Direct the Clerk team to complete and forward the voting delegate form to CalCities;
3. Confirm "support" for the resolution to be considered on bylaws; and
4. Authorize the City's voting delegate(s) to vote on the resolution to be considered at the CalCities annual conference.

Estimated Time:

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

Protecting the Environment and Preserving Open Space and Agricultural Land

Maintaining and Enhancing Infrastructure

Supporting our Youth, Seniors, and Entire Community

Fostering a Positive Organizational Culture

Preserving and Cultivating Public Trust

Preserving our Community History

Enhancing Diversity and Inclusiveness

Advancing Regional Initiatives

2022-2023 Strategic Priorities

Fiscal Sustainability

Affordable Housing and Homelessness

Community Outreach, Engagement, and Messaging

Economic Development

Transportation

REPORT NARRATIVE:

CalCities (formerly known as the League of California Cities or League) is holding its Annual Conference September 7-9, 2022. At the Annual Conference, CalCities will conduct its General Assembly Meeting, at which members vote on resolutions from member cities and elected officials. These resolutions help guide cities and CalCities in their efforts to improve the quality, responsiveness, and vitality of local government in California. This year, one resolution has been introduced for consideration at the conference (attachment 1). The League's bylaws provide that each city is entitled to one vote on matters affecting municipal or League policy. The voting delegate and/or alternate(s) must be registered for the conference and present to vote. The memorandum from the League requesting the designation of a voting delegate for the League's Annual Conference is attached (attachment 2).

It has been the City Council's past practice to appoint the Mayor as the primary voting delegate and the Mayor Pro Tem as the alternate voting delegate. Staff requests the Council appoint a primary voting delegate and up to two alternate voting delegates. In 2006, the League authorized the appointment of up to two alternates to plan for unforeseen situations (bylaw amendment).

The General Assembly Meeting will convene on Friday, September 9th at 11:30 a.m. to consider the resolution that has been brought forward:

RESOLUTION RELATING TO AMENDMENTS TO THE CAL CITIES BYLAWS

By approving the recommendation, our League representatives will have the Council's general guidance for the vote to be taken on the resolution and are authorized to vote on amendments in the manner they deem to be in the best interest of the City.

COMMUNITY ENGAGEMENT:

Inform

This report serves to inform the community of the CalCities business items for consideration.

ALTERNATIVE ACTIONS:

Council could decide to not support the recommended actions.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

Each year the City Council appoints voting delegates to attend and vote at CalCities Annual Conference.

FISCAL AND RESOURCE IMPACT:

The cost of the conference registration is included in the adopted FY 2022-23 City Council budget.

CEQA (California Environmental Quality Act):

Not a project.

The appointment of voting delegates is not a project, as defined in Section 15378 of the State CEQA guidelines.



2022 Annual Conference and Expo

PROPOSED BYLAWS AMENDMENTS

*General Assembly
September 9, 2022*



**2021-2022
CAL CITIES OFFICERS**

President

Cindy Silva
Mayor Pro Tem,
Walnut Creek

First Vice President

Ali Taj
Council Member,
Artesia

Second Vice President

Daniel Parra
Council Member,
Fowler

Immediate Past President

Cheryl Viegas Walker
Council Member,
El Centro

**Executive Director
and CEO**

Carolyn M. Coleman

August 2022

To: Cal Cities General Assembly
From: Cindy Silva, President
Carolyn Coleman, Executive Director and CEO
Re: Proposed Cal Cities Bylaws Amendments

On July 15, 2022, the League of California Cities (Cal Cities) Board of Directors (Board) voted to present proposed bylaws amendments to the General Assembly at the 2022 Cal Cities Annual Conference and Expo. This memorandum outlines the history of the proposed amendments, summarizes the amendments, and provides an explanation of the process for adopting amendments to the bylaws.

Background

Beginning in 2017, the Board directed Cal Cities to undertake a strategic planning process that resulted in the adoption of the “Powering Up for California Cities Strategic Growth Plan 2018-2021” (Strategic Growth Plan). The Strategic Growth Plan set forth goals to enhance Cal Cities’ governance to: (a) achieve even higher levels of engagement and effectiveness; (b) ensure optimal engagement by members and effectiveness in supporting fulfillment of the Cal Cities’ mission; and (c) ensure the pathway to leadership is transparent and inclusive.

In furtherance of its governance goals, the Board engaged an association governance consultant (Consultant) to evaluate the Cal Cities governance system and make recommendations for enhancing Cal Cities’ governance. The Consultant gathered and considered input from more than 350 Cal Cities members through advisory groups, roundtable discussions, interviews, and surveys. On July 8, 2021, the Consultant produced a report (Governance Report) detailing 49 recommendations to the Board to deepen the engagement of Cal Cities Member Cities and ensure Cal Cities’ governance is operating at peak performance.

The Governance Report included findings indicating that Cal Cities is a strong organization, with a high level of member engagement, but also highlighted opportunities for Cal Cities to enhance its governance. The opportunities for enhancement included: (a) improving the clarity, ease, and consistency in how the governance system works; (b) clarifying the guidelines for position qualifications and performance expectations; (c) identifying ways to deepen member engagement and enhance the quality of the experience of involvement; and (d) ensuring Cal Cities has an intentional, consistent organizational culture at all levels of the governance system.

The findings and recommendations from the Governance Report were presented to the Board during the July 2021 Board meeting. Following a robust exchange of ideas and input, the Board decided to move forward with many of the recommendations, referred other recommendations to a “to be established” board subcommittee for further study, and deferred consideration of the remaining recommendations.

Following Board approval, in September 2021 during the Cal Cities Annual Conference and Expo, the General Assembly voted to approve the following bylaws amendments:

1. Adjust the composition of the Board to achieve a higher impact and be more representative by adding Director seats to the Board for each of the five Diversity Caucuses, and transitioning members of the National League of Cities Board from Cal Cities Directors to one non-voting advisor to the Cal Cities Board.
2. Recognize the Cal Cities Diversity Caucuses in the Cal Cities bylaws to reflect the full contribution the caucuses make to Cal Cities’ mission and vision.

Those amendments became effective on Nov. 24, 2021.

Among the recommendations the Board decided was a priority to move forward was the establishment of a standing Governance Committee to assist the Board in fulfilling its governance function.

At its February 2022 meeting, the Board voted to approve Board policy establishing the Governance Committee with the task of regularly reviewing the governance structures, policies, and practices of Cal Cities and reporting its findings and recommendations to the Board. The Board also approved a one-year work plan for the Governance Committee that established priority governance issues to focus on in its first year.

Following the Board meeting, President Cindy Silva appointed the following Board members to serve on the Governance Committee:

- Cheryl Viegas Walker, Immediate Past President and Council Member, El Centro, Chair
- Walt Allen, Council Member, Covina
- Jan Arbuckle, Vice Mayor, Grass Valley
- LaTanya Bellow, Deputy City Manager, Berkeley
- Pippin Dew, Council Member, Vallejo
- Lynne Kennedy, Mayor Pro Tem, Rancho Cucamonga
- Karen Goh, Mayor, Bakersfield
- Jim Lewis, City Manager, Pismo Beach
- Lisa Middleton, Mayor, Palm Springs
- John Minto, Mayor, Santee
- David Pollock, Council Member, Moorpark

The Governance Committee met in April 2022, and following engaging and productive discussions, brought forward to the Board at its May 2022 meeting several recommendations to further enhance Cal Cities' governance. Among the recommendations approved by the Board during that meeting are two that require bylaws amendments:

1. Formalize oversight of the **Resolutions Committee** by establishing the Second Vice President as the chair of the committee, while retaining the President's authority to appoint the vice chair of the committee.
2. To ensure a more inclusive **Nominating Committee**, add one committee member appointed from among the Caucus Directors and one additional committee member appointed from among the At-Large Directors for a total of 13 committee members.¹

In addition to those recommendations identified by the Governance Committee and approved by the Board, Cal Cities staff identified various non-substantive revisions to the Cal Cities bylaws:

1. Clarify that, unless the Board establishes otherwise, the **Cal Cities President appoints the chair of Board-established committees**.
2. To avoid confusion and clarify organizational responsibilities, remove "Treasurer" from the **title of the Second Vice President**.²
3. To promote consistency, replace the term "Board member(s)" with "**Director(s)**."³

On July 15, 2022, the Board voted to present these proposed bylaws amendments to the General Assembly at the 2022 Cal Cities Annual Conference and Expo.

While the work to enhance Cal Cities' governance is a process being implemented in phases over several years, the Board believes these proposed amendments constitute important next steps toward ensuring Cal Cities' governance is operating at peak performance.

¹ Under the current bylaws, the Nominating Committee is comprised of 11 Directors. Two committee members are appointed from among At-Large Directors and one from a Department. Divisions participate on a rotation, with Directors residing within eight of the Divisions appointed in even-numbered years and Directors from the other eight appointed in odd-numbered years.

² Under the current bylaws, the Second Vice President is referred to as "Second Vice President/Treasurer." However, in practice the Second Vice President does not serve as treasurer of Cal Cities. Rather, that function is performed by the Chief Financial Officer designated in Article VIII, section 5, subdivision b(2), of the Cal Cities bylaws.

³ The current bylaws primarily refer to members of the Cal Cities Board of Directors as "Directors." However, there are instances in which they are referred to as "Board members."

Procedure for Amending the Cal Cities Bylaws

Amendments to the Cal Cities bylaws may be proposed by the Cal Cities Board and may be adopted: (a) by vote of the Cal Cities General Assembly, or (b) by mail ballot to Member Cities.⁴ In this case, the amendments will be considered by the General Assembly. Bylaws amendments need to be approved by 2/3 of those voting,⁵ and the number that constitutes 2/3 of those voting (a) cannot be less than a majority of the voting delegates present if there is a quorum at the time the vote is taken;⁶ or (b) cannot be less than a majority of a quorum if the meeting started with a quorum but a quorum is not present when the vote is taken.⁷

If approved by the General Assembly, the amendments to the bylaws will go into effect after the expiration of a 60-day protest period.⁸ If, within 60 days after the adoption of the amendments, one-third or more of Member Cities submit a written protest against such amendments, the amendments are automatically suspended until the next Annual Conference and Expo, when they may be taken up again for reconsideration and vote.⁹ If the amendments are approved by the General Assembly and no protest is lodged, the effective date of the bylaws amendments will be Nov. 9, 2022.

⁴ Article XVII, Section 1.

⁵ Article XVII, Section 2.

⁶ Cal. Corp. Code 7512, subd. (a).

⁷ Cal. Corp. Code 7512, subd. (d).

⁸ Article XVII, section 6.

⁹ Article XVII, section 7.

RESOLUTION RELATING TO AMENDMENTS TO THE CAL CITIES BYLAWS
(2/3 vote at General Assembly required to approve)

Source: League of California Cities Board of Directors

WHEREAS, the League of California Cities (Cal Cities) is a nonprofit mutual benefit corporation under California law and, as such, is governed by corporate bylaws; and

WHEREAS, the Cal Cities Board of Directors (Board) periodically reviews the Cal Cities bylaws for issues of clarity, practicality, compliance with current laws, and responsiveness to membership needs and interests; and

WHEREAS, beginning in 2017, the Board directed Cal Cities to undertake a strategic planning process that resulted in the adoption of the “Powering Up for California Cities Strategic Growth Plan 2018-2021” (Strategic Growth Plan); and

WHEREAS, the Strategic Growth Plan set forth goals to enhance Cal Cities’ governance to: (a) achieve even higher levels of engagement and effectiveness; (b) ensure optimal engagement by members and effectiveness in supporting fulfillment of the Cal Cities’ mission; and (c) ensure the pathway to leadership is transparent and inclusive; and

WHEREAS, in furtherance of its governance goals, the Board engaged an expert in association governance who gathered and considered input from more than 350 Cal Cities members through advisory groups, roundtable discussions, interviews, and surveys to evaluate the Cal Cities governance system and make recommendations for enhancing Cal Cities’ governance; and

WHEREAS, in July 2021 the Board decided to move forward with certain recommendations made as a result of that governance evaluation, including a recommendation to establish a standing Governance Committee of the Board to assist the Board in fulfilling its governance function; and

WHEREAS, in February 2022 the Board approved Board policy establishing the Governance Committee and charging it with regularly reviewing the governance structures, policies, and practices of Cal Cities, and reporting its findings and making recommendations to the Board; and

WHEREAS, in 2022 the Governance Committee recommended, and the Board, approved certain changes to the bylaws that: (1) formalize the oversight of the Resolutions Committee; (2) ensure a more inclusive Nominating Committee by adding one committee member appointed from among Caucus Directors and one additional committee member appointed from among At-Large Directors; (3) clarify that, unless the board establishes otherwise, the Cal Cities President appoints the chair of board-established committees; and (4) make various non-substantive revisions; and

WHEREAS, the Cal Cities Board offers the following proposed amendments and additions to the bylaws, as set forth in the attached redlined version of the bylaws specified below, which is hereby incorporated by reference:

1. Amend Article VI, section 3(c) to designate the Second Vice-President as the Resolutions Committee chair, while retaining the President's authority to appoint the vice chair of the Resolutions Committee;
2. Amend Article VII, section 5(b) to adjust the composition of the Nominating Committee by adding one At-Large Director and one Caucus Director for a total of 13 Nominating Committee members;
3. Amend Article VII, Section 10(d) to provide that, *unless the Board establishes otherwise*, the Cal Cities President appoints the chair of board-established committees;
4. Replace the title "Second Vice-President/Treasurer" with "Second Vice President" in Article VII, sections 2(a), 5(e), and 10(b); and Article VIII, sections 1, 2(c), and 4;
5. Replace the term "board member(s)" with "Director(s)" in Article VII, sections 5(b), 5(e), and 8; Article XII, section 5(c); and Article XV, section 4; and

now therefore, be it

RESOLVED, by the General Assembly of the League of California Cities assembled during the Annual Conference in Long Beach on September 9, 2022, that the proposed bylaws amendments are hereby approved and Cal Cities shall make the specified amendments to the Cal Cities bylaws set forth in the attached redlined version of the bylaws.

See ATTACHMENT 1 for redline of proposed changes to the bylaws.

ATTACHMENT 1
Redline of Proposed Changes to Bylaws

Bylaws for the League of California Cities

...

Article VI. Resolutions

...

Section 3: Resolutions Committee for Annual Conference Resolutions.

(a) Resolutions Committee Composition. The Cal Cities President establishes a Resolutions Committee sixty days prior to each Annual Conference, which committee shall consist of:

- (i) One elected official from each regional division, appointed by the regional division;
- (ii) One elected official from each policy committee, appointed by the policy committee;
- (iii) One member from each functional department, appointed by the department;
- (iv) One elected official from each caucus, appointed by the caucus; and
- (v) Up to ten additional members (at least five of whom are elected officials) as the Cal Cities President deems necessary to achieve geographic and population balance, as well as recognize the multiplicity of city functions not represented by the other appointments, including, but not limited to, the perspectives of board and commission members as well as professional staff.

(b) Presidential Appointments. In the event a regional division, policy committee, functional department, or caucus does not make its appointment to the Resolutions Committee, the Cal Cities President may make the appointment on the regional division's, policy committee's, functional department's, or caucus's behalf.

(c) Chair. The Cal Cities ~~President shall also appoint to the Resolutions Committee a committee chair and vice chair~~Second Vice-President shall serve as committee chair. The Cal Cities President shall also appoint to the Resolutions Committee a vice chair.

(d) Minimum Committee Size and Composition. In the event the full committee is not in attendance at the Annual Conference, the Cal Cities President shall appoint a sufficient number of city officials in attendance to achieve a total of thirty. No less than two-thirds of the members of the Resolutions Committee shall be elected officials.

- (e) **Committee Consideration of Proposed Resolutions.** Except for resolutions of courtesy, commendation, appreciation or condolence, no resolution expressing the opinion or policy of Cal Cities on any question may be considered or discussed by Cal Cities' General Assembly, unless it has been first submitted to, and reported on, by the Resolutions Committee.

...

Article VII: Board of Directors

...

Section 2: Composition.

The Cal Cities Board is composed of the following:

- (a) A President, First Vice-President and Second Vice-President/~~Treasurer~~, who each serve a term of one year;
- (b) The Immediate Past President who serves for a term of one year, immediately succeeding his or her term as President;
- (c) Twelve Directors-at-Large,
 - (i) Who serve staggered two-year terms, and
 - (ii) At least one of whom is a representative of a small city with a population of 10,000 or less;
- (d) One Director to be elected from each of the regional divisions, functional departments, and caucuses of Cal Cities, each of whom serves for a term of two years; and
- (e) Ten Directors that may be designated by the mayors of each of the ten largest cities in California to serve two-year terms.
- (f) For purposes of this section, the population of each city is the most current population as determined by the California Department of Finance, Demographic Research Unit, or its successor agency or unit. If no successor agency or unit is named, the most current population used to determine these dues shall be used to determine future dues until such time as these bylaws are amended to designate a new source for determining city population.
- (g) Directors hold office until their successors are elected and qualified.

...

Section 5: Nomination Process.

- (a) **Timing.** The Cal Cities President, with the concurrence of the Cal Cities Board, shall establish a nominating committee at the first Board meeting of the calendar year in which the election is to occur.
- (b) **Composition.** The nominating committee shall be comprised of ~~eleven~~ thirteen ~~Board members~~ Directors. ~~Three~~ Two nominating committee members shall be At-Large Directors, ~~and one~~ shall represent a functional department, ~~and one shall represent a caucus~~. Regional divisions shall be represented on the nominating committee on the following rotating basis:
- (i) **Even-Numbered Years:** In even-numbered years, the Central Valley, Imperial County, Monterey Bay, North Bay, Orange County, Redwood Empire, Sacramento Valley and San Diego County Regional Divisions shall be represented on the nominating committee.
 - (ii) **Odd-Numbered Years:** In odd-numbered years, the Channel Counties, Inland Empire, Desert-Mountain, East Bay, Los Angeles County, Peninsula, Riverside County, and South San Joaquin Regional Divisions shall be represented on the nominating committee.
- (c) **Nominating Committee Chair.** The Cal Cities President shall appoint the chair of the nominating committee.
- (d) **Candidates for Positions Ineligible.** Candidates for officer and at-large positions on the Cal Cities Board are not eligible to serve on the nominating committee. In the event a regional division representative on the nominating committee wishes to be a candidate for an officer or at-large position, the Cal Cities President will appoint a substitute nominating committee member from the same regional division, if available. If one is not available, the President shall appoint a substitute from a nearby regional division.
- (e) **Duties.** The duties of the nominating committee are to:
- (i) **Member Outreach.** Publicize the qualifications for the offices of Second ~~Vice-Vice~~-President/~~Treasurer~~ and the at-large members of the Cal Cities Board to Cal Cities' Member Cities;
 - (ii) **At-Large and Second Vice-President Recommendations.** Make recommendations to the Cal Cities Board on the following year's Cal Cities officers and at-large ~~board members~~ Directors; and
 - (iii) **President and First Vice President Recommendation.** Recommend whether the previous year's First Vice President

becomes President and the previous year's Second Vice-
President/~~Treasurer~~ becomes First Vice President.

- (f) **Notice to Members.** An explanation of the nomination process and relevant deadlines for submitting nominations to the nominating committee shall be publicized in Cal Cities publications and communications throughout the year, along with the identity of nominating committee members once such members are appointed. In addition, the nominating committee shall inform the membership of the opening of the nominations for the following year when it makes its report to the general membership as provided in Article VI, Section 5(g) below.
- (g) **Decision and Report.** The nominating committee's recommendations shall be communicated to the Cal Cities Board not later than 30 days prior to the date of Cal Cities' Annual Conference and again at the Annual Conference. In addition, the nominating committee shall make its report to the membership at the opening general session of the Annual Conference.
- (h) **Election.** The election of Cal Cities Board officers and Directors-at-Large shall occur at a Cal Cities Board meeting at the Annual Conference as provided in Article VII, Section 4(c) and Article VII, section 3.

...

Section 8: Meetings and Meeting Notice.

- (a) **Regularly Scheduled Board Meetings.** The Cal Cities Board shall meet no fewer than four times a year. Notice of regularly scheduled Board meetings shall be mailed to each Director at least 14 days before any such meeting.
- (b) **Emergency Board Meetings.** A good faith effort shall be made to provide notice of any emergency board meetings (for example, by first-class mail, personal or telephone notification, including a voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means).
- (c) **Telephonic or Electronic Participation.** Members of the Cal Cities Board may participate in any meeting through the use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another. Participation in a meeting by this means constitutes presence in person at such meeting.
- (d) **Notice Content.** All meeting notices shall include the meeting date, place, time, and, as applicable, the means by which a Cal Cities ~~Board member~~Director may participate electronically.

...

Section 10: Committees.

(a) **General.** The Cal Cities Board may establish committees to study city problems, advise on Cal Cities educational efforts, make recommendations with respect to Cal Cities advocacy efforts, or to engage in other appropriate Cal Cities service.

(b) Executive Committee.

- (i) **Composition.** The Executive Committee of the Cal Cities Board consists of the following: the Cal Cities President, First Vice-President, Second Vice-President, ~~Treasurer~~, Immediate Past President and Executive Director.
- (ii) **Authority.** The Executive Committee has authority to act for the Cal Cities Board between Board meetings, provided that no action of the Executive Committee is binding on the Cal Cities Board unless authorized or approved by the Board.

(c) Standing Policy Committees.

- (i) **Charge.** Cal Cities shall have a series of standing policy committees, whose charge shall be to make recommendations to the Cal Cities Board on matters within the committees' jurisdiction, as well as fulfill other duties specified in these bylaws (see, for example, Article VI, section 4(b)).
- (ii) **Membership.** Each Cal Cities Policy Committee shall be comprised of the following:
- Two members appointed by each regional division president;
 - One member appointed by each functional department president;
 - One member appointed by each caucus president;
 - No more than 16 members appointed by the Cal Cities President, to provide population and geographic balance, as well as expertise; and
 - Such representatives of affiliate organizations in the capacity authorized by the Cal Cities Board.
- (iii) **Feedback.** Policy committees shall receive information on actions taken on committee recommendations and the reasons for those actions.

(d) **Committee Chairs and Vice Chairs.** Unless the Cal Cities Board establishes otherwise, ~~the~~ the Cal Cities President appoints the chair of all Cal-Cities-wide committees. The term of such appointments coincides with the Cal Cities President's term. The Cal Cities President may appoint vice chairs for such committees, as the Cal Cities President deems necessary.

...

Article VIII: Officers

Section 1: Identity.

The officers of Cal Cities are a President, a First Vice-President, a Second Vice-President/~~Treasurer~~, an Immediate Past President, and an Executive Director.

Section 2: Duties of Cal Cities Officers.

- (a) **President.** The President presides at all Cal Cities Board meetings and all General Assemblies. The President has such other powers and duties as may be prescribed by these bylaws or the Cal Cities Board.
- (b) **First Vice-President.** The First Vice-President carries on the duties of the President in the President's temporary absence or incapacity. The First Vice-President has such other powers and duties as may be prescribed by these bylaws or the Cal Cities Board.
- (c) **Second Vice-President/~~Treasurer~~.** The Second Vice-President/~~Treasurer~~ carries on the duties of the President in the President's and First Vice-President's temporary absence or incapacity. The Second Vice-President/~~Treasurer~~ has such other powers and duties as may be prescribed by these bylaws or the Cal Cities Board.

...

Section 4: Vacancies.

A vacancy in the office of President is filled by the Immediate Past President who shall serve for the unexpired term of office and, upon election of a new President at the next Annual Conference, shall subsequently serve a full term as Immediate Past President. In the event the Immediate Past President is not available to fill the vacancy in the office of the President, or declines in writing, it shall be filled by the succession of the First Vice-President to that office. A vacancy in the office of First Vice-President, or Second Vice-President/~~Treasurer~~, is filled for the un-expired term by appointment by the Cal Cities Board of a member of the Cal Cities Board. A vacancy in the office of the Immediate Past President is filled for the un-expired term by the last Past President continuing to hold a city office.

...

Article XII: Voting

...

Section 5: Mail Balloting.

In addition to voting at Cal Cities meetings, Cal Cities may solicit member input by mail ballot.

(a) **Mailing.**¹⁰ The question(s) to be voted upon, along with explanatory materials and a ballot, shall be mailed by first class mail to each Member City for consideration and action.

(b) **Time Frame for Action.** Member Cities shall have at least 45 days to cast their vote. Ballots shall be cast by returning the Member City's ballot to Cal Cities' principal office in Sacramento.

(c) **Ballot Tabulation and Results Announcement.** The Cal Cities President will appoint a counting committee of three ~~board members~~Directors to count the votes cast by mail ballot. The counting committee will submit its count to the Cal Cities Board, which shall canvass the vote and announce the results.

(d) **Functional Departments, Regional Divisions, and Caucuses.** Departments, divisions, and caucuses may also use mail balloting under procedures specified in their respective bylaws.

...

Article XV: Prohibited Transactions

...

Section 4: Ethical Considerations.

These restrictions, of course, represent the floor, not the ceiling, for ethical conduct as a Cal Cities ~~board member~~Director or policy committee member. If a ~~board member~~Director or policy committee member believes that there are circumstances under which Cal Cities' members might reasonably question the ~~board member's~~Director's or policy committee member's ability to act solely in the best interests of Cal Cities and its member cities, the prudent course is to abstain. As an example, typically Cal Cities ~~board members~~Directors have abstained from participating in decisions on legislation that would affect organizations for which they work. Another example is legislation that would uniquely benefit a ~~board member's~~Director's city. Policy committee members should also consider abstaining in similar circumstances.

¹⁰ The Administrative Services Committee recommends Cal Cities also include notice of the upcoming ballot in a variety of Cal Cities communications to alert Member Cities to make inquiry in the event a city's ballot is lost in the mail.

DATE: June 1, 2022

TO: City Managers and City Clerks

**RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES
League of California Cities Annual Conference & Expo – September 7-9, 2022**

Cal Cities 2022 Annual Conference & Expo is scheduled for September 7-9, 2022 in Long Beach. An important part of the Annual Conference is the Annual Business Meeting (during General Assembly) on Friday, September 9. At this meeting, Cal Cities membership considers and acts on resolutions that establish Cal Cities policy.

In order to vote at the Annual Business Meeting, your city council must designate a voting delegate. Your city may also appoint up to two alternate voting delegates, one of whom may vote if the designated voting delegate is unable to serve in that capacity.

Please complete the attached Voting Delegate form and return it to Cal Cities office no later than Friday, September 2. This will allow us time to establish voting delegate/alternate records prior to the conference.

Please view Cal Cities' [event and meeting policy](#) in advance of the conference.

- **Action by Council Required.** Consistent with Cal Cities bylaws, a city's voting delegate and up to two alternates must be designated by the city council. When completing the attached Voting Delegate form, please attach either a copy of the council resolution that reflects the council action taken, or have your city clerk or mayor sign the form affirming that the names provided are those selected by the city council. Please note that designating the voting delegate and alternates **must** be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.
- **Conference Registration Required.** The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. Conference registration will open by June 1 on the [Cal Cities](#) website. In order to cast a vote, at least one voter must be present at the Business Meeting and in possession of the voting delegate card. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the Voting Delegate Desk. This will enable them to receive the special sticker on their name badges that will admit them into the voting area during the Business Meeting.

- **Transferring Voting Card to Non-Designated Individuals Not Allowed.** The voting delegate card may be transferred freely between the voting delegate and alternates, but *only* between the voting delegate and alternates. If the voting delegate and alternates find themselves unable to attend the Business Meeting, they may *not* transfer the voting card to another city official.
- **Seating Protocol during General Assembly.** At the Business Meeting, individuals with the voting card will sit in a separate area. Admission to this area will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate. If the voting delegate and alternates wish to sit together, they must sign in at the Voting Delegate Desk and obtain the special sticker on their badges.

The Voting Delegate Desk, located in the conference registration area of the Long Beach Convention Center, will be open at the following times: Wednesday, September 7, 8:00 a.m. – 6:00 p.m.; Thursday, September 8, 7:00 a.m. – 4:00 p.m.; and Friday, September 9, 7:30 a.m.–12:30 p.m. The Voting Delegate Desk will also be open at the Business Meeting on Friday, but will be closed during roll calls and voting.

The voting procedures that will be used at the conference are attached to this memo. Please share these procedures and this memo with your council and especially with the individuals that your council designates as your city's voting delegate and alternates.

Once again, thank you for completing the voting delegate and alternate form and returning it to Cal Cities office by Friday, September 2. If you have questions, please call Darla Yacub at (916) 658-8254.

Attachments:

- Annual Conference Voting Procedures
- Voting Delegate/Alternate Form

Annual Conference Voting Procedures

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to Cal Cities policy.
2. **Designating a City Voting Representative.** Prior to the Annual Conference, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the Voting Delegate Form provided to the Cal Cities Credentials Committee.
3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the Voting Delegate Desk in the conference registration area. Voting delegates and alternates must sign in at the Voting Delegate Desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the Business Meeting.
4. **Signing Initiated Resolution Petitions.** Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the Credentials Committee at the Voting Delegate Desk, may sign petitions to initiate a resolution.
5. **Voting.** To cast the city's vote, a city official must have in their possession the city's voting card and be registered with the Credentials Committee. The voting card may be transferred freely between the voting delegate and alternates, but may not be transferred to another city official who is neither a voting delegate or alternate.
6. **Voting Area at Business Meeting.** At the Business Meeting, individuals with a voting card will sit in a designated area. Admission will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate.
7. **Resolving Disputes.** In case of dispute, the Credentials Committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the Business Meeting.



CITY: _____

**2022 ANNUAL CONFERENCE
VOTING DELEGATE/ALTERNATE FORM**

Please complete this form and return it to Cal Cities office by Friday, September 2, 2022. Forms not sent by this deadline may be submitted to the Voting Delegate Desk located in the Annual Conference Registration Area. Your city council may designate one voting delegate and up to two alternates.

To vote at the Annual Business Meeting (General Assembly), voting delegates and alternates must be designated by your city council. Please attach the council resolution as proof of designation. As an alternative, the Mayor or City Clerk may sign this form, affirming that the designation reflects the action taken by the council.

Please note: Voting delegates and alternates will be seated in a separate area at the Annual Business Meeting. Admission to this designated area will be limited to individuals (voting delegates and alternates) who are identified with a special sticker on their conference badge. This sticker can be obtained only at the Voting Delegate Desk.

1. VOTING DELEGATE

Name: _____

Title: _____

2. VOTING DELEGATE - ALTERNATE

Name: _____

Title: _____

3. VOTING DELEGATE - ALTERNATE

Name: _____

Title: _____

ATTACH COUNCIL RESOLUTION DESIGNATING VOTING DELEGATE AND ALTERNATES OR

ATTEST: I affirm that the information provided reflects action by the city council to designate the voting delegate and alternate(s).

Name: _____ Email: _____

Mayor or City Clerk _____ Date _____ Phone _____
(circle one) (signature)

Please complete and return by Friday, September 2, 2022 to:

Darla Yacub, Assistant to the Administrative Services Director

E-mail: dyacub@calcities.org; Phone: (916) 658-8254