



CITY OF MORGAN HILL

Regular Meeting Agenda

City Council

Steve Tate - Mayor

Rich Constantine - Mayor Pro Tem

Larry Carr - Council Member

Caitlin Jachimowicz - Council Member

Rene Spring - Council Member

Wednesday, July 25, 2018 7:00 pm

Council Chamber

17555 Peak Avenue, Morgan Hill, CA 95037

The City Council has adopted a policy that regular meetings shall not continue beyond 11:00 p.m. unless extended by a majority of the City Council.

CALL TO ORDER

(Mayor Tate)

ROLL CALL ATTENDANCE

DECLARATION OF POSTING AGENDA

Per Government Code Section 54954.2

(Deputy City Clerk Bigelow)

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CITY COUNCIL REPORTS

Council Member Spring

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

OTHER REPORTS

PUBLIC COMMENT

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. (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

1. APPROVAL OF UPDATED CITY COUNCIL POLICIES 96-01, PLACEMENT OF ITEMS ON THE AGENDA AND MATTERS TO BE RECONSIDERED BY THE CITY COUNCIL AND 97-01, RULES FOR THE CONDUCT OF CITY COUNCIL MEETINGS

Recommendation:

Approve updated City Council Policies 96-01, Placement of Items on the Agenda and Matters to be Reconsidered by the City Council and 97-01, Rules for the Conduct of City Council Meetings.

2. PROJECT UPDATE AND THIRD AMENDMENT TO AGREEMENT WITH ASSOCIATED RIGHT OF WAY SERVICES, INC. FOR THE HALE AVENUE EXTENSION PROJECT

Recommendation:

1. Receive project update for the Hale Avenue Extension Project; and
2. Approve and authorize the City Manager to execute a Third Amendment to agreement with Associated Right of Way Services, Inc. in the amount of \$24,400 to continue to provide acquisition services for property needed to construct the Hale Avenue Extension Project for a total contract amount of \$194,400.

3. APPROVAL OF A CONSULTANT AGREEMENT WITH LISA WISE CONSULTING, INC. FOR PREPARATION OF THE MONTEREY CORRIDOR BLOCK-LEVEL MASTER PLAN

Recommendation:

Approve Consultant Agreement with Lisa Wise Consulting, Inc. (LWC) for preparation of the Monterey Corridor Block-Level Master Plan in an amount not to exceed \$64,905.

4. RESOLUTION IN SUPPORT OF PROTECT CHILDREN AND KEEP FAMILIES TOGETHER

Recommendation:

Adopt resolution in support of "Protect Children and Keep Families Together."

5. CITY POSITION ON PROPOSED HOUSING AND HOMELESSNESS LEGISLATION

Recommendation:

Receive legislative correspondence.

6. ADOPT ORDINANCE 2278, NEW SERIES, AN ORDINANCE OF THE CITY OF MORGAN HILL ADDING TITLE 14 "HOUSING" TO THE MORGAN HILL MUNICIPAL CODE INCLUDING CHAPTER 14.04 "INCLUSIONARY HOUSING" THAT MANDATES 15 PERCENT AFFORDABLE HOUSING UNITS FOR NEW RESIDENTIAL DEVELOPMENTS WITHIN THE CITY

Recommendation:

Waive the reading, adopt Ordinance No. 2278, New Series, and declare that said title, which appears on the agenda, shall be determined to have been read by title and further reading waived.

OTHER BUSINESS

7. LEADERSHIP MORGAN HILL UTILITY BOX ART PROPOSAL

Recommendation:

1. Approve the Leadership Morgan Hill Class of 2018 public art proposals for artwork at ten utility box locations; and
2. Authorize the City Manager to enter into and administer necessary agreements to complete the project.

Estimated Time: 15 Minutes

8. APPROVE TWO YEAR PARKLET PILOT PROGRAM

Recommendation:

Adopt guidelines for a pilot program to authorize parklets within a two-year period in the downtown.

Estimated Time: 20 Minutes

9. APPROVE REVOLVING FUND TO PROVIDE CASH FLOW FOR ACQUISITION AND REHABILITATION OF BELOW MARKET RATE HOMES IN ORDER TO PRESERVE THE UNITS FOR RE-SALE

Recommendation:

1. Authorize the establishment of a \$1,000,000 Below Market Rate (BMR) Housing Acquisition and Rehabilitation revolving fund to provide cash flow for the preservation of BMR homes that need to be purchased and/or rehabilitated by the City and resold to new eligible homeowners; and
2. Approve an amendment to the City's Fiscal Year 2018-19 budget, appropriating \$1,000,000 from the Housing Fund (236) for a revolving fund for short term expenses associated with the acquisition and/or rehabilitation of BMR homes that need to be purchased and/or rehabilitated for resale.

Estimated Time: 10 Minutes

PUBLIC HEARING

10. ZA2018-0003: AN ORDINANCE AMENDING THE COMPETITION MANUAL FOR THE RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDCS) AND ESTABLISHING THE AVAILABLE ALLOTMENTS FOR THE 2018 COMPETITION YEAR

Recommendation:

1. Open/close public hearing;
2. Waive first and second reading of Ordinance amending Section III of the RDCS Competition Manual;
3. Introduce Ordinance amending Section III of the RDCS Competition Manual;
4. Adopt resolution amending Sections I, II and IV of the RDCS Competition Manual;
5. Adopt Resolution establishing 215 Fiscal Year 2020/21 allotments for the 2018 RDCS competition.

Estimated Time: 60 Minutes

CLOSED SESSION

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to: Government Code Section 54956.9(d)(2)

Number of Cases: One (1)

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Authority: Government Code Section 54956.8

- a. Property: APN 767-03-036
Agency Negotiators: Christina Turner, Chris Ghione, and Scott Creer
Negotiating Parties: Farideh Betpolice

- Under Negotiation: Price and Terms of Payment
- b. Property: APN 767-01-052
Agency Negotiators: Christina Turner, Chris Ghione, and Scott Creer
Negotiating Parties: Rocke and Glenda Garcia
Under Negotiation: Price and Terms of Payment
- c. Property: APN 767-05-001 and 767-04-009
Agency Negotiators: Christina Turner, Chris Ghione, and Scott Creer
Negotiating Parties: Pacific Gas and Electric Company
Under Negotiation: Price and Terms of Payment
- d. Property: APN 817-13-037
Agency Negotiators: Christina Turner and Chris Ghione
Under Negotiation: Price and Terms of Sale or Lease
- e. Property: APN 817-14-004, 817-17-009, 817-14-005
Agency Negotiators: Christina Turner and Chris Ghione
Under Negotiation: Price and Terms of Sale or Lease
- f. Property: APN 817-13-011
Agency Negotiators: Christina Turner and Chris Ghione
Negotiating Parties: James P Sergi, Trustee
Under Negotiation: Price and Terms of Payment
- g. Property: APN 817-13-008
Agency Negotiators: Christina Turner and Chris Ghione
Negotiating Parties: Angelo Grestoni
Under Negotiation: Price and Terms of Payment

RECONVENE

CLOSED SESSION ANNOUNCEMENT

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.

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 michelle.wilson@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 michelle.wilson@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

Morgan Hill is a safe, inclusive, socially responsible, environmentally conscious, and economically sound community.

CITY COUNCIL ONGOING PRIORITIES

Enhancing Public Safety · Protecting the Environment · Maintaining Fiscal Responsibility ·
Supporting Our Youth, Seniors, and Entire Community · Fostering a Positive Organizational Culture ·
Preserving and Cultivating Public Trust · Preserving Our Cultural Heritage ·
Enhancing Diversity and Inclusiveness

2018 STRATEGIC PRIORITIES

Community Engagement and Messaging

Economic Development and Telecommunications

Financial Stewardship

Infrastructure

Regional Initiatives

2018 STRATEGIC PRIORITIES:



Community Engagement and Messaging

The City of Morgan Hill will tell our story through outreach and by working closely with our community in presenting our vision, priorities, and financial needs, and by engaging citizens and business owners to find affordable and sustainable solutions. The City's communications, services, public spaces, and projects will embrace all community members as partners, encouraging public participation.



Economic Development and Telecommunications

The Economic Blueprint will continue to be implemented, with a primary goal of attracting jobs and investment into our community. The City will collaborate with the private sector to explore ways to provide fast, reliable access and wireless connectivity for residents and businesses. The 2016 Telecommunications Infrastructure and Economic Blueprint reports will be the foundation for continuing discussions with broadband providers, public utilities, and other infrastructure service providers in developing an implementation plan for growing our telecommunications infrastructure with private sector partnerships. The plan will be used to signal Morgan Hill's support for business expansion.



Financial Stewardship

We will be financial stewards of the City's assets to ensure long-term fiscal sustainability. New revenue sources, including a possible tax measure, will be considered to fund increasing costs to deliver services and complete infrastructure projects. The City will closely manage its expenditures to maintain its general fund reserve. The labor contracts will be negotiated using the City's adopted Employee Compensation Guiding Principles.



Infrastructure

The City will review its streets, parks, and public facilities infrastructure needs to quantify the funding gap. We will identify potential funding options as ongoing revenue is insufficient to fund our vital community assets at a sustainable level without significantly impacting existing service levels that our community has come to expect. Morgan Hill will actively work with the Valley Transportation Agency, the County, and the State to secure funding for transportation projects and road maintenance. For High Speed Rail, we will strongly advocate for the route with the least impact on Morgan Hill.



Regional Initiatives

City Council and staff will focus on influencing regional decisions that benefit Morgan Hill. A regional approach will be employed to address many priorities, including but not limited to, homelessness, animal services, teen suicide, High Speed Rail, and land use (Catholic High School, Outdoor Sports Center, agricultural preservation, and city limits). This regional involvement will include partnering with the League of California Cities, Valley Transportation Authority, Caltrain, Santa Clara Valley Water District, Cities Association of Santa Clara County, the City of Gilroy, Santa Clara County, Morgan Hill Unified School District, the Local Agency Formation Commission, the Open Space Authority, and Silicon Valley Clean Energy to advance projects that further Sustainable Morgan Hill.



CITY COUNCIL STAFF REPORT

MEETING DATE: July 25, 2018

PREPARED BY: Christina Turner, City Manager
APPROVED BY: City Manager

APPROVAL OF UPDATED CITY COUNCIL POLICIES 96-01, PLACEMENT OF ITEMS ON THE AGENDA AND MATTERS TO BE RECONSIDERED BY THE CITY COUNCIL AND 97-01, RULES FOR THE CONDUCT OF CITY COUNCIL MEETINGS

RECOMMENDATION(S)

Approve updated City Council Policies 96-01, Placement of Items on the Agenda and Matters to be Reconsidered by the City Council and 97-01, Rules for the Conduct of City Council Meetings.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Fostering a Positive Organizational Culture
Preserving and Cultivating Public Trust
Enhancing Diversity and Inclusiveness

REPORT NARRATIVE:

At both the City Council's Annual Goal Setting Workshop in January and at its Mid-Year Goal Review Workshop on July 13, 2018, the Council reviewed and provided feedback and edits on Council Policies 96-01, "Placement of Items on the Agenda and Matters to be Reconsidered by the City Council", and 97-01, "Rules for the Conduct of City Council Meetings". In addition to the feedback received from the Council, staff has reviewed the policies to ensure that they are in conformance with current practices and applicable law. The edits to both policies have been incorporated into the attached policies. The policy references Council Policy 03-01, "Public Hearing Procedures", which is also attached for reference.

COMMUNITY ENGAGEMENT: Inform

This report services to inform the community of the proposed changes to two City Council policies.

ALTERNATIVE ACTIONS:

The City Council may decide to make different and/or additional changes to the policies.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The policies were reviewed at the City Council's Annual Goal Setting Workshop in January 2018 and at the Mid-Year Goal Review Workshop on July 13, 2018.

FISCAL AND RESOURCE IMPACT:

No fiscal impacts are anticipated by approving these policies.

CEQA (California Environmental Quality Act):

This action is not a project because it is an administrative activity of government that will not result in direct or indirect changes to the environment.

LINKS/ATTACHMENTS:

1. CP-96-01 Placing items on City Council agenda redline
2. CP-96-01 Placing items on City Council agenda clean
3. CP-97-01 CC Procedures-Protocols redline
4. CP-03-01
5. CP-97-01 CC Procedures-Protocols clean

CITY OF MORGAN HILL

CITY COUNCIL POLICIES AND PROCEDURES

CP-96-01

SUBJECT: PLACEMENT OF ITEMS ON THE AGENDA AND MATTERS TO BE RECONSIDERED BY THE CITY COUNCIL

EFFECTIVE DATE: July 17, 1996

REVISED DATE: June 27, 2007; July 25, 2018

ORIGINATING DEPT: City Manager

1. Members of the City Council and City Manager may place items on the agenda.

~~2. Members of the City Council who wish to place items on the agenda agree to submit the item with any background materials by 12:00 noon on Monday during the week preceding the meeting.~~

~~3.2.~~ Reconsideration — Under City Council Policy 97-01, Aa matter may be reconsidered by the City Council if a member on the prevailing side of the vote requests reconsideration. Such a motion may be —made at a meeting where such action is taken or at a subsequent meeting of the Council.

~~4.3.~~ Items raised by the public during public comment may be referred to a future City Council agenda for formal action. In accordance with State law, matters not scheduled on the agenda cannot be acted upon by the City Council, but a member of Council may request consideration of the item at a future meeting.

~~5.4.~~ Members of the City Council ~~can~~ may identify items to be added to future agendas at the end of each Council meeting under the section titled, "Future Council Initiated Agenda Items." ~~Before beginning substantive work on an item raised under Future Council Initiated Agenda Items, will staff will evaluates the staff-time involved and brings a report back to the City Council. A majority of the City Council for it to must decide if it wants to move forward with the item, If the item will require more than two hours of staff time, it requires City Council approval to move forward.~~

~~APPROVED:~~

~~STEVE TATE, Mayor~~

Attachment: CP-96-01 Placing items on City Council agenda redline (1876 : Council Policy Revisions)

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

APPROVED:

STEVE TATE, MAYOR

~~S:\Policies\City Council Policies\CITY COUNCIL POLICY TEMPLATE 2.doc~~

Attachment: CP-96-01 Placing items on City Council agenda redline (1876 : Council Policy Revisions)

CITY OF MORGAN HILL

CITY COUNCIL POLICIES AND PROCEDURES

CP-96-01

SUBJECT: **PLACEMENT OF ITEMS ON THE AGENDA AND MATTERS TO BE RECONSIDERED BY THE CITY COUNCIL**

EFFECTIVE DATE: **July 17, 1996**

REVISED DATE: **June 27, 2007; July 25, 2018**

ORIGINATING DEPT: **City Manager**

1. Members of the City Council and City Manager may place items on the agenda.
2. Reconsideration – Under City Council Policy 97-01, a matter may be reconsidered by the City Council if a member on the prevailing side of the vote requests reconsideration. Such a motion may be made at a meeting where such action is taken or at a subsequent meeting of the Council.
3. Items raised by the public during public comment may be referred to a future City Council agenda for formal action. In accordance with State law, matters not scheduled on the agenda cannot be acted upon by the City Council, but a member of Council may request consideration of the item at a future meeting.
4. Members of the City Council may identify items to be added to future agendas at the end of each Council meeting under the section titled, "Future Council Initiated Agenda Items." Before beginning substantive work on an item raised under Future Council Initiated Agenda Items, staff will evaluate the staff-time involved and bring a report back to the City Council. A majority of the City Council must decide to move forward with the item, if the item will require more than two hours of staff time.

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

APPROVED:

STEVE TATE, MAYOR

Attachment: CP-96-01 Placing items on City Council agenda clean (1876 : Council Policy Revisions)

CITY OF MORGAN HILL

CITY COUNCIL POLICIES AND PROCEDURES

CP-97-01

SUBJECT: RULES FOR THE CONDUCT OF CITY COUNCIL MEETINGS

EFFECTIVE DATE: May 7, 1997

REVISED DATE(S): June 21, 1998, April 1, 1998, April 26, 2000, November 7, 2001, October 16, 2002, June 27, 2007, July 25, 2018 ~~(Reviewed June 27, 2007)~~

ORIGINATING DEPARTMENT: CITY MANAGER

SECTION 1 - SCOPE

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

SECTION 2 - MEETINGS

- 2.1** Open to Public: All meetings of the City Council, whether regular or special, shall be open to the public, unless a closed session is scheduled as authorized by Law.
- 2.2** Regular Meetings: The City Council shall conduct its regular meetings at the time and place established by ordinance, if specified in the ordinance or resolution. Regular meetings shall not continue beyond ~~the hour of~~ 11:00 p.m. unless extended by a majority vote of the City Council pursuant to Section 5.3 of this policy.
- 2.3** Special Meetings/Workshops: A special meeting and/or workshop may be called at any time by the Mayor or Presiding Officer of the City Council or by three members of the City Council. Written notice of any such meeting must specify the purpose of the meeting, ~~and be signed by the Mayor or members making the call.~~ Notice of the meeting must be made in accordance with the Law.
- 2.4** Closed Sessions: The City Council may hold closed sessions during a regular or special meeting, or at any time authorized by Law, to consider or hear any matter which is authorized by law.
- ~~**2.5**~~ Quorum: Three (3) members of the City Council shall constitute a quorum and shall be sufficient to transact business. If less than three Council members appear at a regular meeting, the Mayor, Mayor Pro Tempore in the absence of the Mayor, any member of the City Council, or in the absence of all Council members, the City Clerk or Deputy City Clerk, shall adjourn the meeting to a stated day and hour.

Attachment: CP-97-01 CC Procedures-Protocols redline (1876 : Council Policy Revisions)

2.5 ~~Business of the City Council may be conducted with a minimum of three members being present; however, matters requiring the expenditure of City funds must receive three affirmative votes for approval.~~

2.6 Adjourned Meetings: The City Council may adjourn any regular, adjourned regular, special, or adjourned special meeting to a time and place specified in the order of adjournment and permitted by ~~L~~law.

SECTION 3 - POSTING NOTICE AND AGENDA

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

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

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

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

SECTION 4 - AGENDA CONTENTS

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

4.2 Availability of the Agenda to the Public: The agenda for any regular or special meeting shall be made available to the public as soon as ~~it~~ is practical after delivery to the members of the City Council.

4.3 Limitation to Act on Only Items on the Agenda: No action shall be taken by the City Council on any item not on the posted agenda, subject only to the exceptions listed below:

- a. Upon a majority determination that an "emergency situation" (as defined by State Law) exists; and
- b. Upon a determination by a 4/5 vote of the City Council that there is a need to take immediate action and that the need to take the action came to the attention of City officials subsequent to posting of the agenda.

SECTION 5. ORDER OF BUSINESS

5.1 The order of business at meetings of the City Council shall be as follows:

- a. CALL TO ORDER
- b. ROLL CALL ATTENDANCE
- c. DECLARATION OF POSTING ~~OF~~ AGENDA
- d. WORKSHOP (5:00-6:00 p.m., or as deemed appropriate)
- e. CLOSED SESSION (6:00-7:00 p.m., or as deemed appropriate)

Closed Sessions of the City Council can only be held for matters specifically authorized by ~~l~~law. At times, Closed Sessions may have to be held in an order different than presented due to the timeliness of the matter, to save the City money when an outside attorney has been retained or due to the need for extra time to discuss and deliberate an important closed session item. Closed session items may be continued to the conclusion of the agenda.

~~Closed sessions, as part of the Redevelopment Agency (RDA) meetings (fourth Wednesdays of the month), will be held at the conclusion of the RDA business meeting.~~

- f. SILENT INVOCATION
- g. PLEDGE OF ALLEGIANCE
- ~~h. PROCLAMATIONS/RECOGNITIONS~~

~~i~~h. CITY COUNCIL REPORTS

These are updates on activities of individual members of the Council and are non-action items.

~~j~~i. CITY MANAGER'S REPORTS

These are updates on current City activities, reports on issues raised at previous Council meetings, or ~~special~~ recognitions. These are non-action items.

~~k~~j. ~~CLOSED SESSION ANNOUNCEMENTS/CITY ATTORNEY'S~~ REPORT

These are updates on reportable actions of the City Council in Closed Sessions and/or current litigation.

~~l~~k. OTHER REPORTS

- ~~l. These are items that may include the Financial Report or Special Report from a City operating department.~~ PROCLAMATIONS

m. RECOGNITIONS

n. PRESENTATIONS

m.o. PUBLIC COMMENT

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

p. ADOPTION OF AGENDA

m.q. CONSENT CALENDAR

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

~~m.r.~~ LEGALLY NOTICED PUBLIC HEARINGS

These ~~matters~~ are matters ~~ones~~ that are duly noticed and published in a newspaper of general circulation and, where required by Law, written notice is given to the affected residents who have the opportunity to speak in favor or against a matter or ask questions about the matter.

~~p.~~ INTRODUCTION OF ORDINANCES

~~These are matters requiring the introduction, or "first reading" of an ordinance of the City Council of the City of Morgan Hill.~~

~~m.s.~~ OTHER BUSINESS

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

~~r.~~ ROLL CALL VOTES

~~These matters are ordinances previously introduced and require "second reading" and adoption.~~

s.t. CLOSED SESSION

Continued closed session for matters not concluded earlier in the evening.

~~t.u.~~ FUTURE ~~CITY~~ COUNCIL INITIATED AGENDA ITEMS

These are items which members of the City Council wish to have placed on future agendas.

~~u.v.~~ ADJOURNMENT

- 5.2 Change in Order of Business: The Mayor or Presiding Officer may decide to take matters listed on the agenda out of the prescribed order unless a majority of members present object to this variation.
- 5.3 Review Status of Agenda at 11:00 p.m.: If, at ~~the hour of~~ 11:00 p.m., the City Council has not concluded its business, it shall review the status of the agenda and determine by majority vote whether to extend the meeting beyond ~~the hour of~~ 11:00 p.m., continue any remaining items, or adjourn the meeting to another date and time.

SECTION 6. PUBLIC COMMENT

- 6.1** Public Comment: Persons present at meetings of the City Council may comment on individual items on the agenda at the time the items are scheduled to be heard. In addition, comments may be offered on items not on the agenda under that portion of the agenda ~~identified for public comment~~

~~6.1~~

- 6.2** Limitations: The public comment period ~~shall may~~ be 3 minutes for items on the agenda or items not listed on the agenda. ~~Speakers are called in the order the speakers cards are submitted. Project applicants or appellants may speak first and may have will be allowed more than the designated 3 minutes in accordance with City Council Policy 03-01. Consistent with this policy, the Mayor or Presiding Officer may recall an applicant or appellant to address questions after the public comment is heard. In addition, applicants will be given time at the end of the public hearing for rebuttal to address any questions or comments.~~ The Mayor or Presiding Officer may allow speakers more time ~~and/or allow speakers to concede a portion of their time to a designated speaker of a group~~ unless a majority of the City Council objects. Speakers that wish to designate a group speaker shall notify the City Clerk before discussion on the item begins.

~~6.3~~ Procedure:

- ~~a.6.3~~** To address the City Council, each speaker is requested to fill out a Speaker ~~Request~~ Card and turn it in to the City Clerk before discussion on the agenda item begins. The ~~speaker is requested to provide their card shall contain the~~ name and ~~city of residence of the speaker contact information; and~~ the subject, or subjects upon which the speaker wishes to address the City Council. ~~and shall be signed by the speaker.~~ Speakers who do not wish to

provide their name should provide an alternative designation so that they can be recognized by the City Clerk. ~~The card should be turned in to the City Clerk before the item is heard by the City Council. The City Clerk will provide the card to the Mayor or Presiding Officer.~~

~~b. Upon addressing the City Council, each speaker is required to first state his or her name and city of residence.~~

-SECTION 7. PROCEDURES FOR THE CONDUCT OF MEETINGS

7.1 Role of the Mayor/Presiding Officer:

a. The Presiding Officer of the City Council, who shall be the Mayor or in the Mayor's absence shall be the Mayor Pro Tempore, or in their absence any other designated member of the City Council, shall be responsible for maintaining the order and decorum of meetings. It shall be the duty and responsibility of the Presiding Officer to ensure that the rules of operation and decorum contained herein are observed. The Presiding Officer shall maintain control of communication between Council Members and between the Council, staff, and public.

b. Communication with Council Members

1. Council Members should request the floor from the Presiding Officer before speaking.
2. When one member of the Council has the floor and is speaking, other Council Members shall not interrupt or otherwise disturb the speaker.
3. With the concurrence of the Mayor, a Council Member holding the floor may address a question to another Council Member. The Council Member being questioned may or may not respond while the floor is still held by the Council Member asking the question. The reply shall be limited to the question asked.

c. The Mayor or Presiding Officer may declare that an item within the meeting will be conducted in "workshop" format, which means that the procedures described in section 7.1B do not strictly apply. This is to allow for a more open discussion without strict formalities. The Mayor or Presiding Officer may end the workshop format for the item at his/her discretion.

e.d. Communication with Members of the Public Addressing the Council

1. The Mayor or Presiding Officer shall open the floor for public testimony as appropriate.
2. Council Members may question a person addressing the Council at the conclusion of the person's comments or upon expiration of the person's time to speak. Such questions should be directed to the person through the Presiding Officer unless the Presiding Officer grants the Council Member permission to directly question the person.
3. Staff members, through the City Manager, shall be a resource to the City

Council to answer questions arising during discussions between Council Members and between Council Members and members of the public. Communications in this regard shall be through the Presiding Officer.

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

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

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

7.4 Reconsideration: Immediately after a vote on a matter, any member of the City Council may request to have his/her vote changed on a matter before the Council moves on to the next item. Such a request will be granted by the Mayor or Presiding Officer unless a majority of the Council objects.

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

7.5 Debate:

- a. The discussions and deliberations at meetings of the City Council are to secure the ~~mature~~-informed judgement of Council members on proposals submitted for decision. This purpose is best served by the exchange of thought through discussion and debate.

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

- b. Obtaining the Floor for Debate:

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

c. Speaking More Than Once:

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

d. Relevancy of Debate:

All discussion must be relevant to the motion before the City Council. A member is given the floor only for the purpose of discussing the pending question; discussion which departs is out of order. The Mayor or Presiding Officer should then direct the speaker to limit discussion to the question before the City Council.

A motion-its nature or consequences-may be attacked vigorously. But, it is never permissible to attack the motives, character, or personality of a member either directly or by innuendo or implication. It is the duty of the Mayor or Presiding Officer instantly to stop any member who engages in personal attacks. It is the motion, not its proposer, that is the subject of debate. Meetings must discuss measures and ideas, not people.

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

Debate must be fundamentally impersonal. All discussion is addressed to the Mayor or Presiding Officer and must never be directed to any individual.

e. Mayor's Duties During Debate:

The Mayor or Presiding Officer has the responsibility of controlling and expediting debate. A Council member who has been recognized to speak on a question has a right to the undivided attention of the Council.

It is the duty of the Mayor or Presiding Officer to keep the subject clearly before the members, to rule out irrelevant discussion, and to restate the question whenever necessary.

SECTION 8. ITEMS TO BE PLACED ON THE AGENDA

~~8.1 — Council Members: Any member of the City Council may request to have any matter that can be legally agendized to be placed on the agenda of the City Council by requesting same of the City Manager or his/her designee at least 8 wording days before the next City Council meeting. Any background materials or information relating to the matter should be provided to the City Clerk for distribution to the City Council as part of the agenda packets for the meeting. The only limitation on placement of items on the agenda is as noted in Section 7.4.~~

~~——— Members of the Council may also place items on the agenda by indicating their desire to do so under that portion of the City Council agenda designated, "Future City Council Agenda Items."~~

~~8.2 — City Manager: The City Manager shall indicate on each agenda of the City Council those items being considered for placement on future meetings of the City Council. The City Council may determine to hold over any matter from a future agenda.~~

~~——— The City Manager may hold over an item for a future agenda if he/she determines that the matter is incomplete based upon subsequent information.~~

SECTION 98. DECORUM

- 8.1 Council Members: Members of the City Council value and recognize the importance of the trust invested to them by the public to accomplish the business of the City. Council Members shall accord the utmost courtesy to each other, to City employees, and to the public appearing before the City Council.
- 8.2 City Employees: Members of City staff shall observe the same rules of order and decorum applicable to the City Council. City staff shall act at all times in a business and professional manner towards Council Members and members of the public.
- 8.3 Public: Members of the public attending City Council meetings shall observe the same rules of order and decorum applicable to the City Council.
- 8.4 Noise in the Chambers: Noise emanating from the audience within the Council Chambers or lobby area, which disrupts City Council meetings, shall not be permitted.
- 8.5 Sergeant-at-Arms: The Chief of Police, or his/her designated representative -shall be ex-officio Sergeant-at-Arms of the City Council.

SECTION 109. VIOLATIONS OF PROCEDURES

- 9.1 Nothing in these policies and procedures shall invalidate a properly noticed and acted upon action of the City Council in accordance with State Law.

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

APPROVED:

STEVE TATE, MAYOR

CITY OF MORGAN HILL

CITY COUNCIL POLICIES AND PROCEDURES

CP-97-01

SUBJECT: RULES FOR THE CONDUCT OF CITY COUNCIL MEETINGS

EFFECTIVE DATE: May 7, 1997

REVISED DATE(S): June 21, 1998, April 1, 1998, April 26, 2000, November 7, 2001, October 16, 2002, June 27, 2007, July 25, 2018

ORIGINATING DEPARTMENT: CITY MANAGER

SECTION 1 - SCOPE

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

SECTION 2 - MEETINGS

- 2.1** Open to Public: All meetings of the City Council, whether regular or special, shall be open to the public, unless a closed session is scheduled as authorized by law.
- 2.2** Regular Meetings: The City Council shall conduct its regular meetings at the time and place established by ordinance, if specified in the ordinance or resolution. Regular meetings shall not continue beyond 11:00 p.m. unless extended by a majority vote of the City Council pursuant to Section 5.3 of this policy.
- 2.3** Special Meetings/Workshops: A special meeting and/or workshop may be called at any time by the Mayor or Presiding Officer of the City Council or by three members of the City Council. Written notice of any such meeting must specify the purpose of the meeting. Notice of the meeting must be made in accordance with the law.
- 2.4** Closed Sessions: The City Council may hold closed sessions during a regular or special meeting, or at any time authorized by law, to consider or hear any matter which is authorized by law.
- 2.5** Quorum: Three (3) members of the City Council shall constitute a quorum and shall be sufficient to transact business. If less than three Council members appear at a regular meeting, the Mayor, Mayor Pro Tempore in the absence of the Mayor, any member of the City Council, or in the absence of all Council members, the City Clerk or Deputy City Clerk shall adjourn the meeting to a stated day and hour.
- 2.6** Adjourned Meetings: The City Council may adjourn any regular, adjourned regular, special, or adjourned special meeting to a time and place specified in the order of adjournment and permitted by law.

Attachment: CP-97-01 CC Procedures-Protocols clean (1876 : Council Policy Revisions)

SECTION 3 - POSTING NOTICE AND AGENDA

- 3.1 Posting of Notice and Agenda: For every regular or special meeting, the City Clerk or other authorized person, shall post a notice of the meeting specifying the time and place at which the meeting will be held and an agenda containing a brief description of all items of business to be discussed at the meeting. The notice and agenda may be combined in a single document.
- 3.2 Location of Posting: The notice and agenda shall be posted on the City's website and in a place to which the public has unrestricted access during at least normal business hours and where the notice and agenda are not likely to be removed or obscured by other posted materials.
- 3.3 Posting for Regular Meetings: For any regular meeting of the City Council, the notice and agenda shall be posted no later than seventy-two (72) hours prior to the time set for the meeting.
- 3.4 Posting for Special Meetings: For any special meetings of the City Council, the notice and agenda shall be posted no later than twenty-four (24) hours prior to the time set for the meeting.

SECTION 4 - AGENDA CONTENTS

- 4.1 Description of Matters: All items of business to be discussed at a meeting of the City Council shall be briefly described on the agenda. The description of the item and the proposed action to be considered should be set forth as clearly as practical so that members of the public will know the nature of the action under review and consideration.
- 4.2 Availability of the Agenda to the Public: The agenda for any regular or special meeting shall be made available to the public as soon as is practical after delivery to the members of the City Council.
- 4.3 Limitation to Act on Only Items on the Agenda: No action shall be taken by the City Council on any item not on the posted agenda, subject only to the exceptions listed below:
 - a. Upon a majority determination that an "emergency situation" (as defined by State Law) exists; and
 - b. Upon a determination by a 4/5 vote of the City Council that there is a need to take immediate action and that the need to take the action came to the attention of City officials subsequent to posting of the agenda.

SECTION 5. ORDER OF BUSINESS

- 5.1 The order of business at meetings of the City Council shall be as follows:
 - a. CALL TO ORDER
 - b. ROLL CALL ATTENDANCE
 - c. DECLARATION OF POSTING AGENDA

- d. WORKSHOP (5:00-6:00 p.m., or as deemed appropriate)**
- e. CLOSED SESSION (6:00-7:00 p.m., or as deemed appropriate)**

Closed Sessions of the City Council can only be held for matters specifically authorized by law. At times, Closed Sessions may have to be held in an order different than presented due to the timeliness of the matter, to save the City money when an outside attorney has been retained or due to the need for extra time to discuss and deliberate an important closed session item. Closed session items may be continued to the conclusion of the agenda.

- f. SILENT INVOCATION**
- g. PLEDGE OF ALLEGIANCE**
- h. CITY COUNCIL REPORTS**

These are updates on activities of individual members of the Council and are non-action items.

- i. CITY MANAGER'S REPORT**

These are updates on current City activities, reports on issues raised at previous Council meetings, or recognitions. These are non-action items.

- j. CITY ATTORNEY'S REPORT**

These are updates on reportable actions of the City Council in Closed Sessions and/or current litigation.

- k. OTHER REPORTS**
- l. PROCLAMATIONS**
- m. RECOGNITIONS**
- n. PRESENTATIONS**
- o. PUBLIC COMMENT**

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

- p. ADOPTION OF AGENDA**

q. CONSENT CALENDAR

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

r. PUBLIC HEARINGS

These are matters that are duly noticed and published in a newspaper of general circulation and where required by law, written notice is given to the affected residents who have the opportunity to speak in favor or against a matter or ask questions about the matter.

s. OTHER BUSINESS

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

t. CLOSED SESSION

Continued closed session for matters not concluded earlier in the evening.

u. FUTURE COUNCIL INITIATED AGENDA ITEMS

These are items which members of the City Council wish to have placed on future agendas.

v. ADJOURNMENT

5.2 Change in Order of Business: The Mayor or Presiding Officer may decide to take matters listed on the agenda out of the prescribed order unless a majority of members present object to this variation.

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

SECTION 6. PUBLIC COMMENT

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

- 6.2** Limitations: The public comment period may be 3 minutes for items on the agenda or items not listed on the agenda. Speakers are called in the order the speakers cards are submitted. Project applicants or appellants will be allowed more than the designated 3 minutes in accordance with City Council Policy 03-01. Consistent with this policy, the Mayor or Presiding Officer may recall an applicant or appellant to address questions after the public comment is heard. In addition, applicants will be given time at the end of the public hearing to address any questions or comments. The Mayor or Presiding Officer may allow speakers more time and/or allow speakers to concede a portion of their time to a designated speaker of a group unless a majority of the City Council objects. Speakers that wish to designate a group speaker shall notify the City Clerk before discussion on the item begins.
- 6.3** Procedure: To address the City Council, each speaker is requested to fill out a Speaker Card and turn it in to the City Clerk before discussion on the agenda item begins. The speaker is requested to provide their name and contact information and the subject, or subjects upon which the speaker wishes to address the City Council. Speakers who do not wish to provide their name should provide an alternative designation so that they can be recognized by the City Clerk.

SECTION 7. PROCEDURES FOR THE CONDUCT OF MEETINGS

7.1 Role of the Mayor/Presiding Officer:

- a.** The Presiding Officer of the City Council, who shall be the Mayor or in the Mayor's absence shall be the Mayor Pro Tempore, or in their absence any other designated member of the City Council, shall be responsible for maintaining the order and decorum of meetings. It shall be the duty and responsibility of the Presiding Officer to ensure that the rules of operation and decorum contained herein are observed. The Presiding Officer shall maintain control of communication between Council Members and between the Council, staff, and public.
- b.** Communication with Council Members
 1. Council Members should request the floor from the Presiding Officer before speaking.
 2. When one member of the Council has the floor and is speaking, other Council Members shall not interrupt or otherwise disturb the speaker.
 3. With the concurrence of the Mayor, a Council Member holding the floor may address a question to another Council Member. The Council Member being questioned may or may not respond while the floor is still held by the Council Member asking the question. The reply shall be limited to the question asked.
- c.** The Mayor or Presiding Officer may declare that an item within the meeting will be conducted in "workshop" format, which means that the procedures described in section 7.1B do not strictly apply. This is to allow for a more open discussion without strict formalities. The Mayor or Presiding Officer may end the workshop format for the item at his/her discretion.

d. Communication with Members of the Public Addressing the Council

1. The Mayor or Presiding Officer shall open the floor for public testimony as appropriate.
2. Council Members may question a person addressing the Council at the conclusion of the person's comments or upon expiration of the person's time to speak. Such questions should be directed to the person through the Presiding Officer unless the Presiding Officer grants the Council Member permission to directly question the person.
3. Staff members, through the City Manager, shall be a resource to the City Council to answer questions arising during discussions between Council Members and between Council Members and members of the public. Communications in this regard shall be through the Presiding Officer.
4. Members of the public shall direct their questions and comments through the Presiding Officer.

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

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

7.4 Reconsideration: Immediately after a vote on a matter, any member of the City Council may request to have his/her vote changed on a matter before the Council moves on to the next item. Such a request will be granted by the Mayor or Presiding Officer unless a majority of the Council objects.

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

7.5 Debate:

- a. The discussions and deliberations at meetings of the City Council are to secure the informed judgement of Council members on proposals submitted for decision. This purpose is best served by the exchange of thought through discussion and debate.

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

- b. Obtaining the Floor for Debate:

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

- c. Speaking More Than Once:

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

- d. Relevancy of Debate:

All discussion must be relevant to the motion before the City Council. A member is given the floor only for the purpose of discussing the pending question; discussion which departs is out of order. The Mayor or Presiding Officer should then direct the speaker to limit discussion to the question before the City Council.

A motion-its nature or consequences-may be attacked vigorously. But, it is never permissible to attack the motives, character, or personality of a member either directly or by innuendo or implication. It is the duty of the Mayor or Presiding Officer instantly to stop any member who engages in personal attacks. It is the motion, not its proposer, that is the subject of debate. Meetings must discuss measures and ideas, not people.

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

Debate must be fundamentally impersonal. All discussion is addressed to the Mayor or Presiding Officer and must never be directed to any individual.

e. Mayor's Duties During Debate:

The Mayor or Presiding Officer has the responsibility of controlling and expediting debate. A Council member who has been recognized to speak on a question has a right to the undivided attention of the Council.

It is the duty of the Mayor or Presiding Officer to keep the subject clearly before the members, to rule out irrelevant discussion, and to restate the question whenever necessary.

SECTION 8. DECORUM

- 8.1 Council Members:** Members of the City Council value and recognize the importance of the trust invested to them by the public to accomplish the business of the City. Council Members shall accord the utmost courtesy to each other, to City employees, and to the public appearing before the City Council.
- 8.2 City Employees:** Members of City staff shall observe the same rules of order and decorum applicable to the City Council. City staff shall act at all times in a business and professional manner towards Council Members and members of the public.
- 8.3 Public:** Members of the public attending City Council meetings shall observe the same rules of order and decorum applicable to the City Council.
- 8.4 Noise in the Chambers:** Noise emanating from the audience within the Council Chambers or lobby area, which disrupts City Council meetings, shall not be permitted.
- 8.5 Sergeant-at-Arms:** The Chief of Police, or his/her designated representative shall be ex-officio Sergeant-at-Arms of the City Council.

SECTION 9. VIOLATIONS OF PROCEDURES

- 9.1** Nothing in these policies and procedures shall invalidate a properly noticed and acted upon action of the City Council in accordance with State Law.

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

APPROVED:

STEVE TATE, MAYOR

CITY OF MORGAN HILL

CITY COUNCIL POLICIES AND PROCEDURES

CP 03-01

SUBJECT: Public Hearing Procedures

EFFECTIVE DATE: August 20, 2003, Amended October 22, 2003
REVIEWED JULY 18, 2007

ORIGINATING DEPARTMENTS: City Manager/City Attorney

POLICY:

The City Council of the City of Morgan Hill is charged with conducting public hearings on various matters, including zoning appeals.

Various interests must be considered in establishing rules for conducting public hearings. Such hearings often draw a large number of people, many of whom wish to address the Council on the matter being heard. However, the time devoted to any one public hearing is subject to constraint because the Council also has other pressing matters it must consider on any particular agenda, as well as other duties and responsibilities outside of Council meetings.

The City Council therefore believes that the following interests should be taken into consideration in establishing rules for the conduct of public hearings:

1. promotion of courteous civic discourse;
2. presentation of relevant information and opinions;
3. the due process rights of applicants; and
4. the limited time available to the Council to hear and consider any one particular matter.

In order to assure that such hearings are conducted in a manner which balances these interests, the Council hereby adopts the following rules of procedure for such hearings.

PROCEDURE:

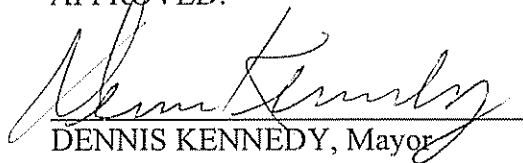
1. Preliminary Announcements. Mayor announces procedures to be followed, including limitations on presentations, as further addressed below.
2. Presentation of Staff Report.
 - A. Explanation of applicant's proposal and action to be taken by the Council.

Attachment: CP-03-01 (1876 : Council Policy Revisions)

- B. Review of Planning Commission's analysis and recommendation, if any. Depending on the project, other committees or commissions may have recommendations.
 - C. Staff's analysis of, and recommendation, if any, regarding applicant's proposal.
 - D. Council questions of staff, if any.
3. Public Hearing:
- A. Mayor formally opens public hearing.
 - B. Presentation by applicant. (May be limited to ten minutes, or other time as the Mayor deems appropriate as dictated by the complexity of the proposal).
 - C. Council questions, if any, of applicant.
 - D. Public comment. Mayor may limit time for total public comment, and/or for individual presentations, but will assure that all arguments are given an opportunity to be presented. Mayor may encourage speakers to avoid duplication by combining speaker presentations, and/or by a show of hands in support of or opposition to a particular viewpoint. If there is organized opposition to a project, the Mayor may allow a designated chief opposition spokesperson to make an extended presentation. The Council may ask questions, if any, of speakers.
 - F. Project applicant rebuttal. The time allowed for rebuttal may be extended beyond three (3) minutes in the discretion of the Mayor.
 - G. Public hearing closed.
4. Council Deliberation. Council may make inquiries of staff. However, inquiries to the applicant or others will require re-opening the public hearing.

This policy shall remain in effect until modified. However, the Council may depart from this process in any particular matter upon a majority vote of the Council members present and participating in that matter.

APPROVED:



DENNIS KENNEDY, Mayor

Attachment: CP-03-01 (1876 : Council Policy Revisions)



CITY COUNCIL STAFF REPORT

MEETING DATE: July 25, 2018

PREPARED BY: David Gittleson, Associate Engineer
APPROVED BY: City Manager

PROJECT UPDATE AND THIRD AMENDMENT TO AGREEMENT WITH ASSOCIATED RIGHT OF WAY SERVICES, INC. FOR THE HALE AVENUE EXTENSION PROJECT

RECOMMENDATION(S)

1. Receive project update for the Hale Avenue Extension Project; and
2. Approve and authorize the City Manager to execute a Third Amendment to agreement with Associated Right of Way Services, Inc. in the amount of \$24,400 to continue to provide acquisition services for property needed to construct the Hale Avenue Extension Project for a total contract amount of \$194,400.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety
Maintaining Fiscal Responsibility

2018 Strategic Priorities

Financial Stewardship
Infrastructure

GUIDING DOCUMENTS

General Plan/Housing Element

REPORT NARRATIVE:

Project Update – The Hale Avenue Extension Project will construct a major arterial roadway extending Hale Avenue from Main Avenue to Spring Avenue. The project is a high priority based on potential grant funding and significant traffic congestion relief. The project is composed of two significant components, land acquisition and construction.

The acquisition of properties needed for the project has moved forward steadily over recent years and the goal is to finalize the acquisition of all property by early 2019. The City has acquired property and slope easements from five property owners totaling roughly \$1.6 million for the project. Five properties remain to be acquired from three owners (see attached right of way needs map). Thus, Associated Right of Way Services are still needed in order to reach settlements with the remaining property owners. The current FY18-19 Capital Improvement Program for the Hale Extension Project budgeted \$4.8 million for these needed right-of-way acquisitions. The planned project funding will require an interfund loan to complete the right of way purchases. It is recommended that the right of way acquisition proceed as scheduled to have the project shovel ready when grant funds are released.

The plans and specifications for the project are 95% complete at this time and are

anticipated to be fully complete by December 2018. Permits and utility relocation plans are currently being prepared and will be submitted next month.

It is currently estimated that \$14.5 million will be required for the construction component of the project, with the anticipated funding coming from Measure B. The Hale Avenue Extension Project is included in the Tier 1 improvements outlined for Measure B funding. The construction component of the project was estimated to cost \$9.4 million when the measure was first developed. However, over the last several years it is believed most projects in Tier 1 have seen major cost escalation, resulting in what will likely be a selection of priority projects by the County and Valley Transportation Authority (VTA). The County is currently working through a planning process for County Expressways and will ultimately use that process to prioritize projects. Of note, the Hale Avenue Extension project is the only project outlined in the Measure B County Expressway funding component that is a roadway that will not be owned by the County. City staff have had repeated discussions with the County and the VTA and believe both agencies are amenable to the additional funding needed for construction of the project. At the present time, the specific amount of the additional funding has not been determined. This will likely depend on the actual construction cost at the time of bidding. However, staff believes that it is critical to have the project shovel ready once the Measure B funding is released.

Associated Right of Way Services – With the assistance of Associated Right of Way Services, the City continues to pursue the right-of-way needed for the project. However, negotiations with the three remaining property owners has been unsuccessful over the past 12 months. In an effort to get the project “shovel ready”, staff recommends that additional acquisition services from Associated Right of Way Services be utilized in order to finalize the acquisition of the remaining five properties for the project.

As with any public right-of-way acquisition effort, it is difficult to estimate the time that will ultimately be required to complete the process. However, additional efforts will be required from Associated Right of Way Services to negotiate and acquire the remaining parcels. Therefore, staff recommends that City Council execute a third amendment with Associated Right of Way Services in the amount of \$24,400, which will allow staff to continue to utilize their services in order to finalize the property acquisitions from the three remaining property owners. Approval of this amendment will result in a revised total contract amount of \$194,400 (\$70,000 original + \$75,000 first amendment + \$25,000 second amendment + \$24,400 third amendment).

COMMUNITY ENGAGEMENT: Inform

Numerous community engagement and design meetings were held throughout the early planning and design phases of the project. David J. Powers and Associates completed the Environmental Impact Report (EIR) and this process included opportunities for the community to provide input regarding the scope, content, and potential environmental impacts from the project.

ALTERNATIVE ACTIONS:

City Council could decide not to move forward with the third amendment at this time.

This action would ultimately delay construction of the project, as negotiations have been unsuccessful thus far.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

- December 7, 2016, City Council awarded a consultant agreement with Associated Right of Way Services, Inc. for \$70,000 to provide acquisition services for the Hale Avenue Extension project.
- July 19, 2017, City Council approved a first amendment to agreement with Associated Right of Way Services, Inc. in the amount of \$75,000 to continue with property acquisitions for the Hale Avenue Extension Project.
- March 7, 2018, City Council approved a second amendment to agreement with Associated Right of Way Services, Inc. in an amount of \$25,000 to continue with property acquisitions for the Hale Avenue Extension Project.

FISCAL AND RESOURCE IMPACT:

Sufficient funds for the \$24,400 third amendment are budgeted in the current FY 2018-19 Capital Improvement Program (CIP). \$4,800,000 has been budgeted to purchase right-of-way for FY 2018-19 from the Traffic Impact Fund (309). An interfund loan would be required to complete these transactions.

The total amount budgeted for the project for FY 2018-19 is \$19,650,000. For construction to be completed, funding of \$14.5 million must be obtained from the County's Measure B Program or another funding source. Staff is working with the County and the VTA to obtain the funding shortfall needed to complete the project.

CEQA (California Environmental Quality Act):

Project

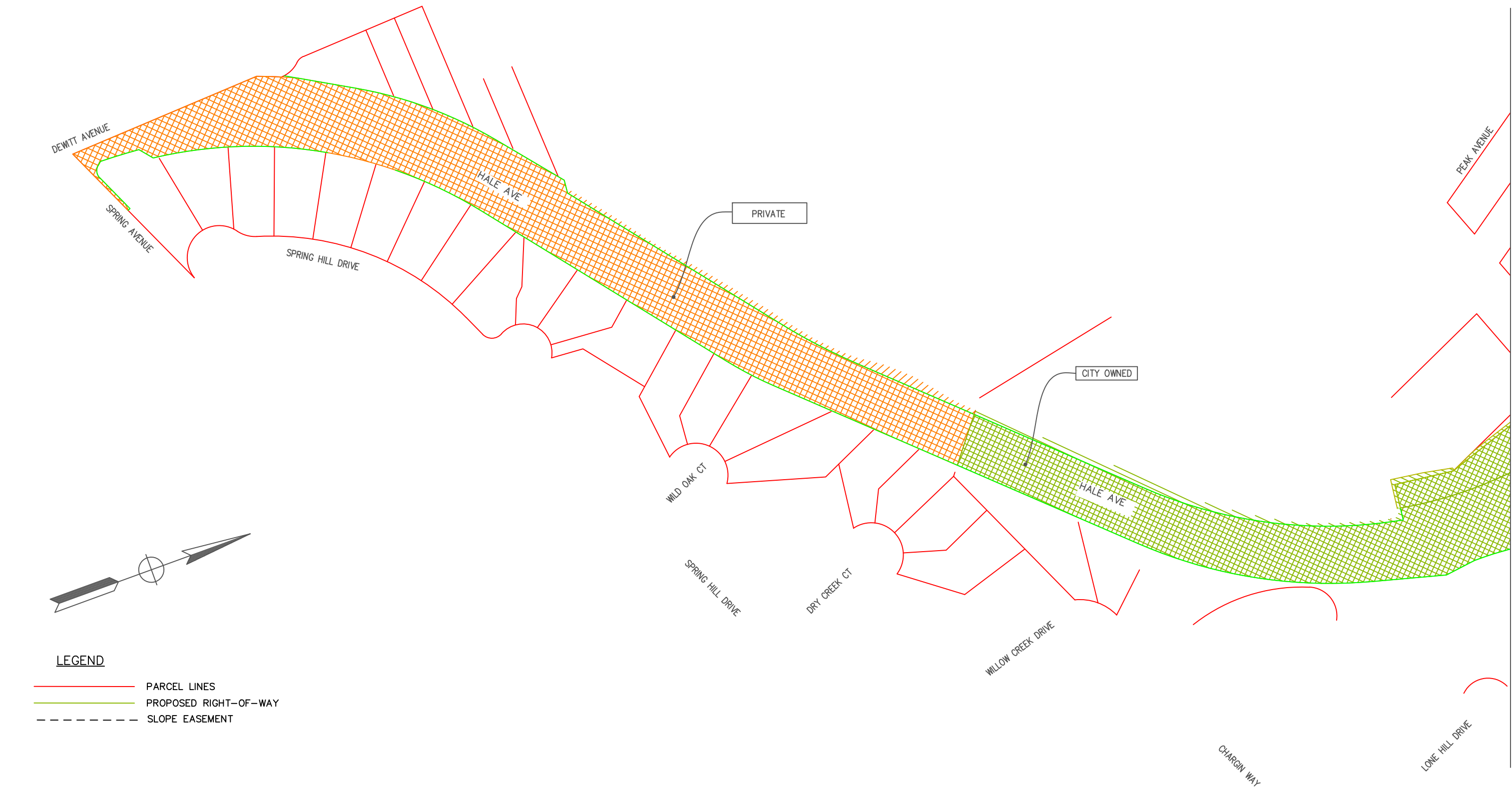
David J. Powers and Associates prepared a Final EIR which was certified by the City Council in August 2017.

LINKS/ATTACHMENTS:

1. Right of Way Needs Map 7-25-18
2. Third Amendment-Associated Right of Way
3. Project Location Map

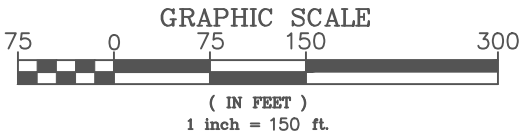
APN No.	PARCEL	DESCRIPTION	TOTAL sq.ft.±
767-01-052	PRIVATELY OWNED	PARTIAL TAKE (CITY RIGHT-OF-WAY)	137,711
767-01-050	PRIVATELY OWNED	SLOPE EASEMENT	5,618

TOTAL



LEGEND

- PARCEL LINES
- PROPOSED RIGHT-OF-WAY
- SLOPE EASEMENT





City of Morgan Hill

Public Works Department

17575 PEAK AVE. MORGAN HILL, CA 95037

(408) 776-6480 FAX (408) 779-7236

DWG BY EK

CHK BY TB

DATE 06-29-17

SCALE 1"=150'

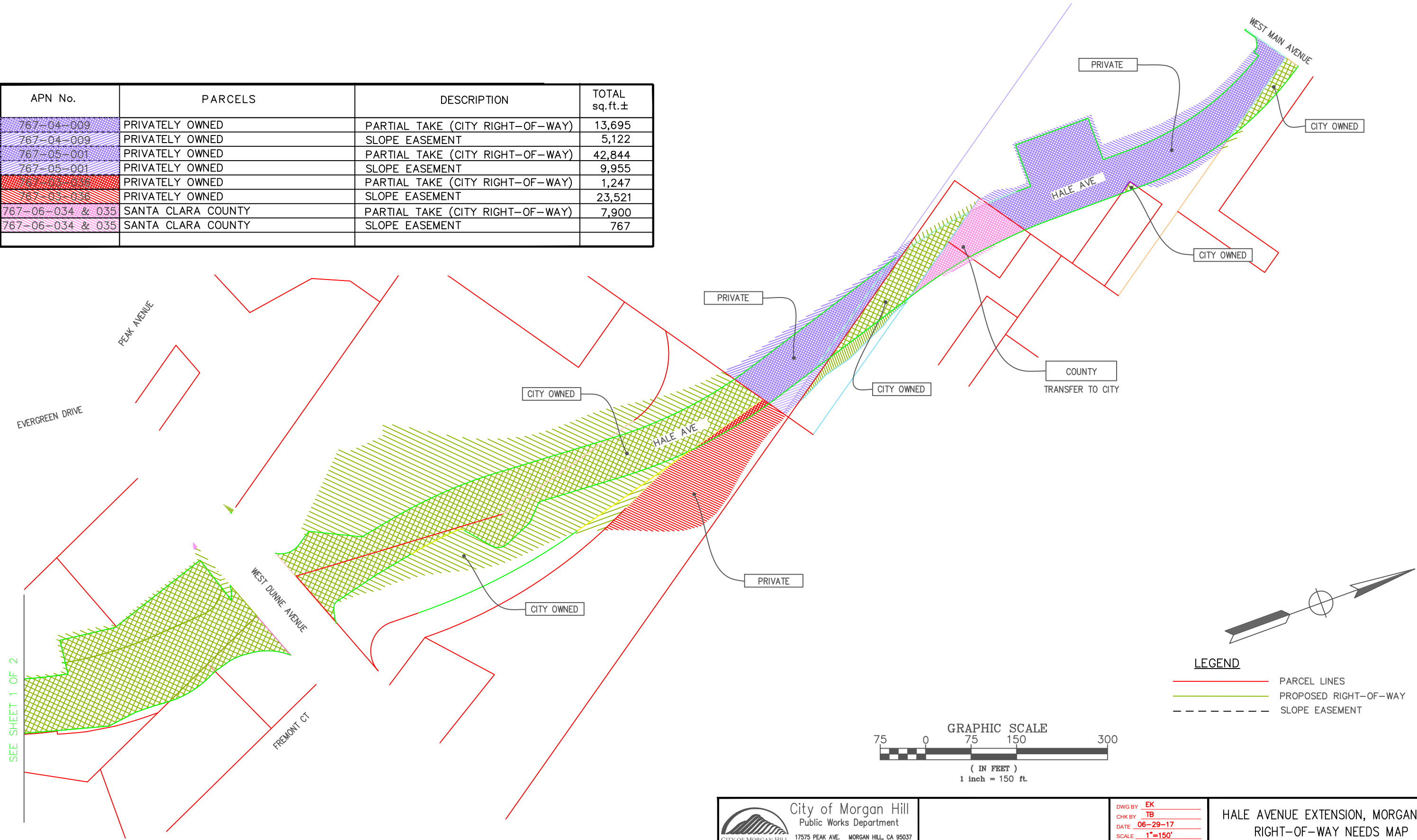
JOB NO. SJ-17101

HALE AVENUE EXTENSION, MORGAN HILL

RIGHT-OF-WAY NEEDS MAP

Packet Pg. 37

APN No.	PARCELS	DESCRIPTION	TOTAL sq.ft.±
767-04-009	PRIVATELY OWNED	PARTIAL TAKE (CITY RIGHT-OF-WAY)	13,695
767-04-009	PRIVATELY OWNED	SLOPE EASEMENT	5,122
767-05-001	PRIVATELY OWNED	PARTIAL TAKE (CITY RIGHT-OF-WAY)	42,844
767-05-001	PRIVATELY OWNED	SLOPE EASEMENT	9,955
767-03-036	PRIVATELY OWNED	PARTIAL TAKE (CITY RIGHT-OF-WAY)	1,247
767-03-036	PRIVATELY OWNED	SLOPE EASEMENT	23,521
767-06-034 & 035	SANTA CLARA COUNTY	PARTIAL TAKE (CITY RIGHT-OF-WAY)	7,900
767-06-034 & 035	SANTA CLARA COUNTY	SLOPE EASEMENT	767



SEE SHEET 1 OF 2

THIRD AMENDMENT TO AGREEMENT ASSOCIATED RIGHT OF WAY SERVICES, INC.

This THIRD AMENDMENT TO AGREEMENT is entered into and becomes effective on _____ (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and, ASSOCIATED RIGHT OF WAY SERVICES, INC., a California corporation ("CONSULTANT").

RECITALS

The following recitals are a substantive part of this Agreement:

1. This Third Amendment to Agreement is entered into pursuant to the action of the Morgan Hill City Council taken on _____, _____, 20____.
2. The CITY and CONSULTANT entered into that "Consultant Agreement" made as of December 14, 2016, for consultant services for a maximum compensation of SEVENTY THOUSAND AND NO/100 DOLLARS (\$70,000.00) ("CONSULTANT AGREEMENT").
3. The CITY and CONSULTANT entered into a "First Amendment to Agreement" made as of August 2, 2017, under which the maximum compensation under the CONSULTANT AGREEMENT, as amended, was increased to ONE HUNDRED FORTY-FIVE THOUSAND AND NO/100 DOLLARS (\$145,000.00), the scope of services was amended and the term of the Agreement was extended to July 2, 2018.
4. The CITY and CONSULTANT entered into a "Second Amendment to Agreement" made as of March 28, 2018, under which the maximum compensation under the CONSULTANT AGREEMENT, as amended, was increased to ONE HUNDRED SEVENTY THOUSAND AND NO/100 DOLLARS (\$170,000.00), the scope of services was amended and the term of the Agreement was extended to July 2, 2019. The CONSULTANT AGREEMENT and the First and Second Amendments thereto are attached as Exhibit "1" to this Agreement.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Amendments:** All terms and conditions of the CONSULTANT AGREEMENT, as amended, as attached as Exhibit "1," shall remain in full force and effect; except that the following amendments shall be made as set forth below:

A. Paragraph 3 shall be amended by adding the following:

"The services to be performed by CONSULTANT shall consist of the additional services set forth in revised Exhibit "B" dated July 9, 2018."

B. Paragraph 4.1 shall be amended and replaced in its entirety by the following:

"4.1. **Amount.** Compensation under this Agreement shall not exceed a total amount of ONE HUNDRED NINETY-FOUR THOUSAND FOUR HUNDRED AND NO/100 DOLLARS (\$194,400.00) during the term set forth in Section 2, as amended in the Second Amendment to Agreement, and shall be billed based on the rate and basis set

forth in the revised **Exhibit B** dated July 9, 2018, incorporated herein and attached hereto by this reference. If the City Manager extends the term of this Agreement for up to one year pursuant to the provisions of Section 2, as amended in the Second Amendment to Agreement, the City Manager shall have the authority to increase the maximum compensation allowed to be paid to CONSULTANT during that extended term period, so long as City Council has appropriated sufficient funds therefor, the Parties mutually agree to such amount in a writing signed by both Parties to this Agreement and provided further that in no event shall such maximum compensation allowed for the extended term exceed 105% of the maximum compensation allowed to be paid to CONSULTANT for one year of service during the initial term of this Agreement."

C. Paragraph 9 shall be amended and replaced in its entirety by the following:

"9. Compliance with Law.

9.1 CONSULTANT and its officers, employees, agents, and subcontractors shall comply with all applicable laws, ordinances, administrative regulations, and permitting requirements in carrying out their obligations under this Agreement. CONSULTANT and its officers, employees, agents, and subcontractors covenant there shall be no discrimination based upon race, color, creed, religion, gender, marital status, age, sexual orientation, national origin, mental disability, physical disability, medical condition, or ancestry, in any activity pursuant to this Agreement.

9.2 Compliance with Wage and Hour Laws: Consultant, and any subcontractor it employs to complete work under this Agreement, shall comply with all applicable federal, state and local wage and hour laws. Applicable laws may include, but are not limited to, the Federal Fair Labor Standards Act and the California Labor Code.

Final Judgments, Decisions, and Orders: For purposes of this Section, a "final judgment, decision, or order" refers to one for which all appeals have been exhausted or the time to appeal has expired. Relevant investigatory government agencies include: the federal Department of Labor, the California Division of Labor Standards Enforcement, or any other governmental entity or division tasked with the investigation and enforcement of wage and hour laws.

Prior Judgments against CONSULTANT and/or its Subcontractors: BY SIGNING THIS AGREEMENT, CONSULTANT AFFIRMS THAT IT HAS DISCLOSED ANY FINAL JUDGMENTS, DECISIONS OR ORDERS FROM A COURT OR INVESTIGATORY GOVERNMENT AGENCY FINDING – IN THE FIVE (5) YEARS PRIOR TO EXECUTING THIS AGREEMENT – THAT CONSULTANT OR ITS SUBCONTRACTOR(S) HAS VIOLATED ANY APPLICABLE WAGE AND HOUR LAWS. CONSULTANT FURTHER AFFIRMS THAT IT OR ITS SUBCONTRACTOR(S) HAS SATISFIED AND COMPLIED WITH – OR HAS REACHED AGREEMENT WITH THE CITY REGARDING THE MANNER IN WHICH IT WILL SATISFY – ANY SUCH JUDGMENTS, DECISIONS OR ORDERS.

Judgments or Decisions During Term of Contract: If at any time during the term of this Agreement, a court or investigatory government agency issues a final judgment, decision or order finding that CONSULTANT or an subcontractor it

employs to perform work under this Agreement has violated any applicable wage and hour law, or CONSULTANT learns of such a judgment, decision, or order that was not previously disclosed, CONSULTANT shall inform the City Attorney, no more than fifteen (15) days after the judgment, decision or order becomes final or of learning of the final judgment, decision or order. CONSULTANT and its subcontractors shall promptly satisfy and comply with any such judgment, decision, or order, and shall provide the City Attorney with documentary evidence of compliance with the final judgment, decision or order within five (5) days of satisfying the final judgment, decision or order. The City reserves the right to require CONSULTANT to enter into an agreement with the City regarding the manner in which any such final judgment, decision, or order will be satisfied.

City's Right to Withhold Payment: Where CONSULTANT or any subcontractor it employs to perform work under this Agreement has been found in violation of any applicable wage and hour law by a final judgment, decision or order of a court or government agency, the City reserves the right to withhold payment to CONSULTANT until such judgment, decision or order has been satisfied in full.

Material Breach: Failure to comply with any part of this Section constitutes a material breach of this Agreement. Such breach may serve as a basis for immediate termination of this Agreement and/or any other remedies available under this Agreement and/or law.

Notice to City Related to Wage Theft Prevention: Notice provided to the City Attorney as required under this Section shall be addressed to: City Attorney, City of Morgan Hill, 17575 Peak Avenue, Morgan Hill, CA 95037. The Notice provisions of this Section are separate from any other notice provisions in this Agreement and, accordingly, only notice provided to the above address satisfies the notice requirements in this Section."

[Signatures on Next Page]

2. **Conflicts.** In the event of a conflict between the terms and provisions of this Third Amendment to Agreement and the terms and provisions of the CONSULTANT AGREEMENT or any earlier amendment, the terms of this Third Amendment to Agreement shall govern and control.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; **AND**
 (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.

ATTEST:

CITY OF MORGAN HILL

City Clerk

Date: _____

City Manager

Date: _____

APPROVED AS TO FORM:

ASSOCIATED RIGHT OF WAY SERVICES, INC.

City Attorney

Date: _____

By: _____

Title: _____

Print Name and Title of Signer.

If Corporate: Chairman, President or Vice President

Date: _____

By: _____

Title: _____

Print Name and Title of Signer.

If Corporate: Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer

Date: _____

7/10/18

Attachment: Third Amendment-Associated Right of Way (1842 : Project Update and Third Amendment with Associated Right of Way)



ASSOCIATED RIGHT OF WAY SERVICES, INC.
THIRD AMENDMENT TO AGREEMENT
EXHIBIT B - REVISED SCOPE OF SERVICES
JULY 9, 2018

2300 Contra Costa Blvd.
Suite 525
Pleasant Hill, CA 94523
925.691.8500 *phone*
925.691.6505 *fax*
www.arws.com

MEMORANDUM

DATE: July 9, 2018
TO: Dave Gittleston – City of Morgan Hill
FROM:  Steve Castellano – AR/WS
PROJECT: Hale Avenue Extension
SUBJECT: Scope and Budget Amendment Request

This is a format we use to communicate and track changes in scope of services and level of effort from those anticipated, predictable or agreed upon, when entering into the contract for services or subsequent extra work authorizations.

Type of Change:

☐ Level of Effort ☒ Scope of Services ☐ Other

At the request of the City of Morgan Hill, AR/WS hereby provides a scope and budget amendment request for appraisal and condemnation support services. The City has reached an impasse with three parcels (Betpolice, Garcia, and PG&E) and may look to initiate the condemnation soon. As a result, City requests appraisal updates for these three parcels. As part of the condemnation support services, AR/WS will be available to assist in the preparation of documents, including staff reports for Resolution of Necessity (RON) Hearings, if requested. AR/WS can also prepare and deliver the notices of intent to adopt RONs, if requested.

If necessary, AR/WS will also provide support to legal counsel, including responding to requests; providing documentation such as acquisition files, diary notes, correspondence and offer documents; and preparing appraiser declarations.

Please note that these services do not include serving as an expert witness at depositions or trials.

Budgetary Change:

☐ No Change at this Time ☒ Additional Funds Needed ☐ Reduction of Budget

Budget breakdown of the appraisal and condemnation support services described above in this memorandum:

• <u>Appraisal Services</u> (Appraisal Updates: Betpolice and PG&E – \$3,500 each, and Garcia - \$3,000)	=	\$ 10,000.00
• <u>Condemnation Support Services</u> (3 property owners, billed hourly)	=	\$ 14,400.00
Total		\$ 24,400.00

Dave Gittleson
July 9, 2018
Page 2 of 2



Please contact me if you have any questions. If this budget amendment request is acceptable to the City, please sign your authorization below and return to my attention. Thank you.

Additional Funds Authorized

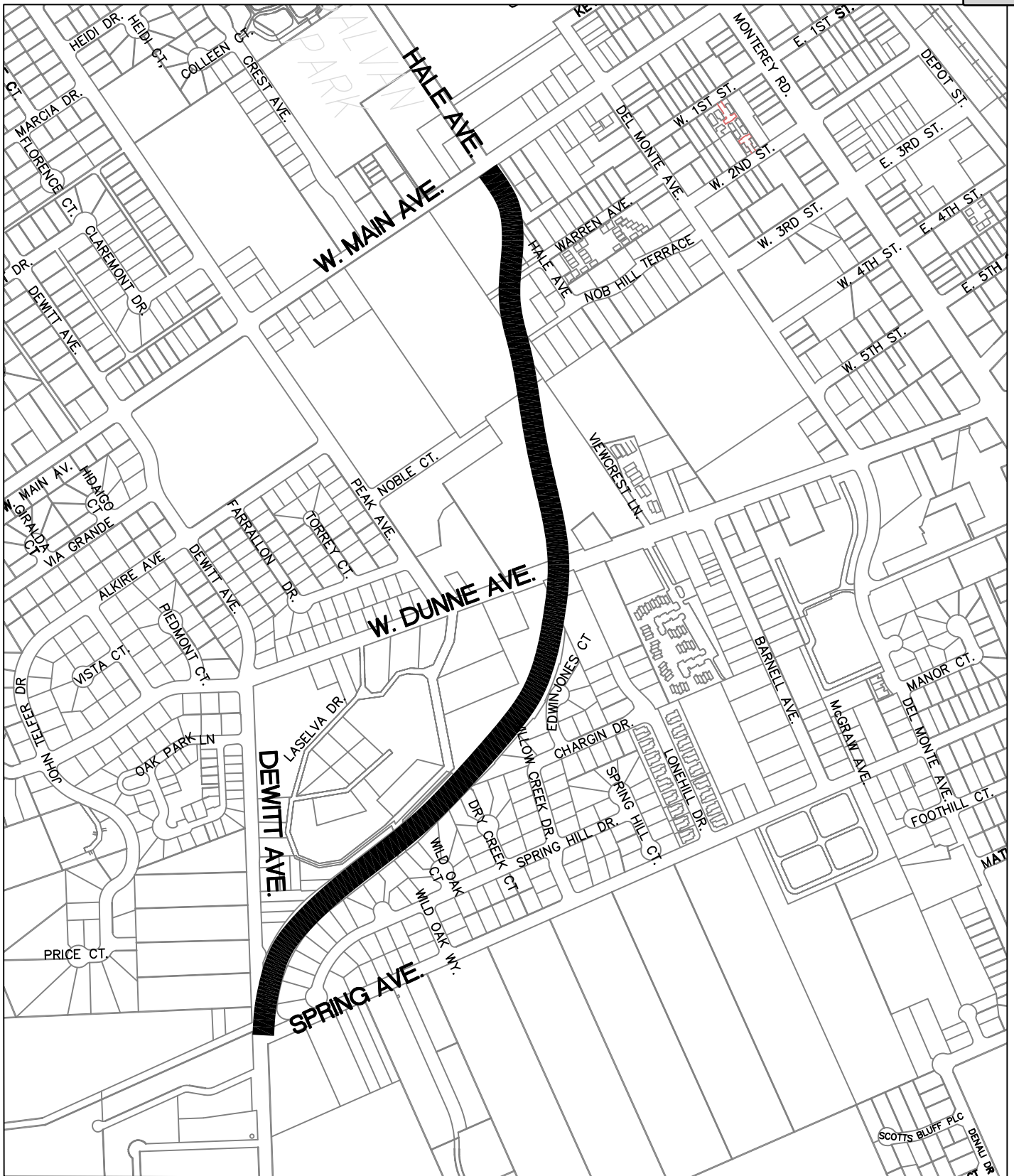
City of Morgan Hill

By: _____

Title: _____

Date: _____

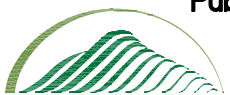
Attachment: Third Amendment-Associated Right of Way (1842 : Project Update and Third Amendment with Associated Right of Way)



SCALE: NTS

City of Morgan Hill

Public Works Department



CITY OF MORGAN HILL

N:\PROJECTS\CIP\STREETS\546007-Santa Teresa Const\Staff Reports\hale plot 8-24-11.dwg

LOCATION PLAN

Hale Avenue Extension

Date: 7/25/18

Drwn by: DIG

PAGE 1 OF 1

Packet Pg. 45



CITY COUNCIL STAFF REPORT

MEETING DATE: July 25, 2018

PREPARED BY: John Baty, Principal Planner/Development Services
APPROVED BY: City Manager

APPROVAL OF A CONSULTANT AGREEMENT WITH LISA WISE CONSULTING, INC. FOR PREPARATION OF THE MONTEREY CORRIDOR BLOCK-LEVEL MASTER PLAN

RECOMMENDATION(S)

Approve Consultant Agreement with Lisa Wise Consulting, Inc. (LWC) for preparation of the Monterey Corridor Block-Level Master Plan in an amount not to exceed \$64,905.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety
Protecting the Environment
Maintaining Fiscal Responsibility
Supporting Our Youth
Seniors
and Entire Community
Preserving and Cultivating Public Trust
Preserving Our Cultural Heritage

2018 Strategic Priorities

Community Engagement and Messaging
Economic Development and
Telecommunications
Regional Initiatives

GUIDING DOCUMENTS

Bikeways
Trails
Parks and Recreation Masterplan
Economic Blueprint
General Plan/Housing Element
Vision Zero

REPORT NARRATIVE:

The proposed consultant agreement with Lisa Wise Consulting, Inc. (LWC) will support the preparation of a Block-Level Master Plan for the Monterey Road corridor, which, if approved, will fulfill the General Plan requirement that such a plan be adopted prior to development of residential or mixed-use projects within the Mixed-Use Flex designation.

Per Planning Commission recommendation and City Council direction, the Block-Level Master Plan will also serve as the foundation for a future Monterey Corridor Specific Plan.

Background

The Morgan Hill 2035 General Plan, adopted in July 2016, envisions the transformation

of the Monterey Road corridor north and south of Downtown from its current predominantly strip commercial character to a vibrant mixed-use corridor that encourages walking and biking with buildings fronting onto the street and a range of commercial and office uses located in close proximity to new and existing residential development.

The Mixed-Use Flex General Plan Land Use designation, which is primarily applied to properties along the Monterey Road corridor, 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). Prior to development of residential or mixed-use projects within the Mixed-Use Flex designation, the General Plan requires a Block-Level Master Plan to be prepared which would identify how commercial uses will be incorporated within the development of a block and how individual development projects will connect with each other. Commercial and other non-residential development may proceed on properties with the Mixed-Use Flex designation without the preparation of a Block-Level Master Plan.

In January 2017, the City of Morgan Hill contracted with LWC for the preparation of a market and land use capacity study for the Monterey Road corridor. On February 27, 2018, a Market Analysis Report (Report) and Implementation Memo were presented to and discussed with the Planning Commission. The Report provided a summary of demographic and socio-economic conditions in the City of Morgan Hill as they relate to economic performance, as well as a high-level analysis of the commercial market, and a land use capacity assessment for the corridor.

The Report, Implementation Memo, and Planning Commission's recommendations were presented to and discussed with the City Council on April 4, 2018.

Consultant Agreement

Attached for Council's consideration is a consultant agreement with LWC in an amount not to exceed \$64,905. The scope and schedule for the preparation of the Monterey Corridor Block-Level Master Plan is attached to the consultant agreement.

COMMUNITY ENGAGEMENT: Inform

Throughout the Monterey Corridor Block-Level Master Plan process there will be several opportunities for formal and informal community participation beginning with a public visioning/goal setting workshop, followed by a joint City Council/Planning Commission workshop, and concluding with noticed Planning Commission and City Council public hearings.

ALTERNATIVE ACTIONS:

The City Council may choose to not approve the proposed consultant agreement and direct staff to bring back a proposed consultant agreement for preparation of the Monterey Corridor Block-Level Master Plan at a future time, or direct staff to initiate the process of developing a Specific Plan for the Monterey Corridor.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On February 27, 2018, the Planning Commission reviewed and discussed the Monterey Corridor Analysis Report and Implementation Options Memo and recommended both a near-term (Block-Level Master Plan) and long-term implementation option (Specific Plan) for City Council consideration.

On April 4, 2018, the City Council considered and supported the Planning Commission recommendation to prepare a near-term Block-Level Master Plan for the Monterey Corridor that would serve as the foundation for a future Specific Plan.

FISCAL AND RESOURCE IMPACT:

This consultant agreement will be an expenditure of the Long-Range Planning Fund (Fund 207). The expenditure was included in the FY 2018-19 Adopted Budget and therefore does not necessitate a budget scorecard.

CEQA (California Environmental Quality Act):

Not a Project

Pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15378, the selection of a consultant to prepare the Monterey Corridor Block-Level Master Plan, which does not have the potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, does not qualify as a "project".

The following activities are specifically listed as not a project under Section 15378:

- (b)(2) Continuing administrative or maintenance activities, such as purchases for supplies, personnel-related actions, general policy and procedure making;
- (b)(4) The creation of government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment.
- (b)(5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

The Environmental Impact Report (EIR) for the Morgan Hill 2035 General Plan, which envisioned the transformation of the Monterey Corridor north and south of Downtown into a vibrant mixed-use corridor, was prepared in accordance with CEQA and certified by the Morgan Hill City Council on July 27, 2016 (SCH#2015022074).

The future adoption of a Block-Level Master Plan for the Monterey Corridor will be subject to additional CEQA review.

LINKS/ATTACHMENTS:

1. Consultant Agreement
2. Exhibits A, B, and C to Consultant Agreement
3. April 4, 2018 Monterey Corridor Market Study Staff Report (web link)

**CONSULTANT AGREEMENT
WITH LISA WISE CONSULTING, INC. FOR PREPARATION OF MONTEREY CORRIDOR BLOCK-
LEVEL MASTER PLAN**

THIS AGREEMENT is entered into and becomes effective on _____ (Effective Date), by and between the CITY OF MORGAN HILL, a municipal corporation, ("CITY"), and Lisa Wise Consulting, Inc. a California corporation ("CONSULTANT") hereinafter referred to collectively as "Parties." In consideration of the promises and the mutual covenants contained in this Agreement, the Parties agree as follows:

1. **City Authority.** This Agreement is entered into pursuant to action of the Morgan Hill City Council taken on _____, _____, 20____.
2. **Term of Agreement.** This Agreement shall cover services rendered from the Effective Date of this Agreement until April 30, 2019 at which time CONSULTANT'S services shall be completed. The City Manager is authorized to extend the term of this Agreement for a maximum period of one year. Any such extension shall be in writing and signed by both Parties to this Agreement.
3. **Scope of Service.** The services to be performed by CONSULTANT shall be to complete the preparation of the Monterey Corridor Block-Level Master Plan as further described in **Exhibit A.**
4. **Compensation.** CONSULTANT shall be compensated as follows:
 - 4.1. **Amount.** \$64,905.00. Total compensation to CONSULTANT under this Agreement during its initial term set forth in Section 2 above shall not exceed sixty-four thousand, nine hundred five dollars and shall be billed based on the rate and basis set forth in **Exhibit B.** If the City Manager extends the term of this Agreement for up to one year pursuant to the provisions of Section 2 above, the City Manager shall have the authority to increase the maximum compensation allowed to be paid to CONSULTANT during that extended term period, so long as City Council has appropriated sufficient funds therefor, the Parties mutually agree to such amount in a writing signed by both Parties to this Agreement and provided further that in no event shall such maximum compensation allowed for the extended term exceed 105% of the maximum compensation allowed to be paid to CONSULTANT for one year of service during the initial term of this Agreement.
 - 4.2. **Billing.** CONSULTANT shall provide CITY with an invoice containing the dated, detailed, and itemized descriptions of all services performed and expenses incurred (if such expenses are reimbursable pursuant to Exhibit B) by CONSULTANT on a monthly basis unless otherwise specified in Exhibit B. All invoices shall be sent to the CITY addressed to the department head or project manager identified below in Section 13 Notices. Any rate charged shall be prorated where services are interrupted or not provided for any rate period (for example, any monthly rate charge should be prorated when services were interrupted or provided for only part of the month). For services billed on an hourly rate, the minimum unit of billed time shall not exceed one tenth of one hour. CITY shall pay for services and expenses (if so provided in Exhibit B) up to the limit of compensation set forth above, that in the CITY's judgment were necessary and reasonable. Services for work performed and expenses incurred in excess of the total compensation set forth in paragraph 4.1 above shall be at no cost to CITY.
5. **Termination.** CITY or CONSULTANT shall have the right to terminate this Agreement, without cause, by giving thirty (30) days' written notice or less under urgent circumstances. Upon such termination, CONSULTANT shall submit to CITY an itemized statement of services performed for which compensation has not been paid. CITY may require CONSULTANT to complete certain work product or documents and

CONSULTANT shall deliver to CITY all documents in its possession without additional compensation to CONSULTANT. The CITY Manager of CITY is authorized to terminate this AGREEMENT, in whole or in part, on behalf of CITY.

6. **Performance of Work.** CONSULTANT represents that it is qualified by virtue of experience, training, education, and expertise to accomplish these services. Services shall be performed by CONSULTANT in accordance with professional practices in a manner consistent with a level of care, competence and skill exercised by qualified members of the CONSULTANT'S profession. By delivery of completed work, CONSULTANT certifies that the work conforms to the requirements of this Agreement and all applicable federal, state and local laws. CONSULTANT shall perform all work and services under this Agreement in conformance with the time schedule set forth on Exhibit C, "Schedule of Performance," attached hereto and incorporated herein by this reference. CITY's City Manager is authorized on behalf of CITY to modify the timeframes set forth on the Schedule of Performance within the term of this Agreement. If CONSULTANT desires to leave or store any of CONSULTANT's equipment at a CITY site while CONSULTANT is performing work or service pursuant to this Agreement, CONSULTANT will first obtain the consent of CITY's City Manager, or his/her delegate, to do so, and any such storage shall occur only in the manner and location allowed by such CITY official and entirely at CONSULTANT's sole risk.

7. **Insurance Requirements.** CONSULTANT shall procure and provide proof of the insurance coverage required by this section in the form of certificates and endorsements. The required insurance must cover the activities of CONSULTANT, including its subcontractors, employees and agents, relating to or arising from the performance of any work or service under this Agreement, and must remain in full force and effect at all times during the period covered by this Agreement. The coverages may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by excess or "umbrella" policies, provided each such policy complies with the requirements set forth herein. CONSULTANT further understands that the CITY reserves the right to modify the insurance requirements set forth herein, with thirty (30) days' notice provided to CONSULTANT, at any time as deemed necessary to protect the interests of the CITY.

7.1. **Insurance Types and Amounts.**

- 7.1.1. **Commercial General Liability (CGL).** CONSULTANT shall maintain CGL against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) for bodily injury or death to any one person for any one accident or occurrence and at least one million dollars (\$1,000,000.00) for property damage, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.
- 7.1.2. **Automobile Liability.** CONSULTANT shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if CONSULTANT does not own automobiles, then CONSULTANT shall maintain Hired/Non-owned Automobile Liability) against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) for bodily injury or death to any one person for any one accident or occurrence and at least one million dollars (\$1,000,000.00) for property damage, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

7.1.3. Workers' Compensation Insurance and Employer's Liability. CONSULTANT shall maintain Workers Compensation coverage, as required by law, in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater. If CONSULTANT is self-insured, CONSULTANT shall provide its Certificate of Permission to Self-Insure, duly authorized by the Department of Industrial Relations.

7.1.4. Pollution (Environmental) Liability. If the performance of CONSULTANT'S work or service under this Agreement involves hazardous materials, contaminated soil disposal, and/or a risk of accidental release of fuel oil, chemicals or other toxic gases or hazardous materials, CONSULTANT shall procure and maintain Pollution Liability covering the contractor's liability for bodily injury, property damage and environmental damage resulting from pollution and related cleanup costs arising out of the work or services to be performed under this Agreement. Coverage shall be provided for both work performed on site, as well as during the transport of hazardous materials. Such coverage shall be in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

7.1.5. Professional Liability.

7.1.5.1. If the performance of CONSULTANT's work or service under this Agreement involves professional and/or technical services (examples include, but are not limited to, architects, engineers, land surveyors, and appraisers), CONSULTANT shall procure and maintain either a claims made or occurrence Errors and Omission liability insurance in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater. Further, if CONSULTANT maintains a claims-made policy, CONSULTANT shall provide written evidence of such insurance to the CITY for at least five (5) years after the completion of work performed under this Agreement.

7.1.5.2. If the performance of CONSULTANT's work or service under this Agreement relates to Information Technology or related services (examples include, but are not limited to computer programmers, software designers, hardware engineers, or other systems consultants), CONSULTANT shall procure and maintain a claims made Errors and Omission liability insurance, including Cyber Liability and Data Breach, in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

7.1.5.3. If the performance of CONSULTANT's work or service under this Agreement involves contact with minors, CONSULTANT shall procure and maintain Sexual Abuse and Molestation insurance in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance

available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

- 7.2. **Endorsements.** CONSULTANT shall provide proof of the following endorsements, listed for each policy for which endorsements are required, as outlined below:

7.2.1. **General Liability.**

7.2.1.1. The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds;

7.2.1.2. the insurer waives the right of subrogation against the City of Morgan Hill and the CITY's elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers; and,

7.2.1.3. insurance shall be primary non-contributing.

7.2.2. **Workers Compensation.**

If the performance of CONSULTANT'S work or service under this Agreement involves access to or activity on any property or premises owned or occupied by the CITY, including, but not limited to, CONSULTANT'S presence during site visits and meetings, then insurer waives the right of subrogation against the City of Morgan Hill and the CITY's elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers.

- 7.3. **Qualification of Insurers.** All insurance required pursuant to this Agreement must be issued by a company licensed and admitted, or otherwise legally authorized to carry out insurance business in the State of California, and each insurer must have a current A.M. Best's financial strength rating of "A" or better and a financial size rating of "VII" or better.

- 7.4. **Certificates.** CONSULTANT shall furnish CITY of Morgan Hill with copies of all policies or certificates as outlined herein, whether new or modified, promptly upon receipt. No policy subject to the CONSULTANT's agreement with the CITY shall be canceled or materially changed except after thirty (30) days' notice by the insurer to CITY. Certificates, including renewal certificates, may be mailed electronically to riskmgmt@morganhill.ca.gov or delivered to the Certificate Holder address provided herein

Certificate Holder address:

City of Morgan Hill
Attn: Risk Management
17575 Peak Avenue
Morgan Hill, CA 95037

8. **Non-Liability of Officials and Employees of the CITY.** No official or employee of CITY shall be personally liable for any default or liability under this Agreement.

9. **Compliance with Law.**

- 9.1. CONSULTANT and its officers, employees, agents, and subcontractors shall comply with all applicable laws, ordinances, administrative regulations, and permitting requirements in carrying out their obligations under this Agreement. CONSULTANT and its officers, employees, agents, and subcontractors covenant there shall be no discrimination based upon race, color, creed, religion, gender, marital status, age, sexual orientation, national origin, mental disability, physical disability, medical condition, or ancestry, in any activity pursuant to this Agreement.
- 9.2. Compliance with Wage and Hour Laws: Consultant, and any subcontractor it employs to complete work under this Agreement, shall comply with all applicable federal, state and local wage and hour laws. Applicable laws may include, but are not limited to, the Federal Fair Labor Standards Act and the California Labor Code.

Final Judgments, Decisions, and Orders: For purposes of this Section, a “final judgment, decision, or order” refers to one for which all appeals have been exhausted or the time to appeal has expired. Relevant investigatory government agencies include: the federal Department of Labor, the California Division of Labor Standards Enforcement, or any other governmental entity or division tasked with the investigation and enforcement of wage and hour laws.

Prior Judgments against CONSULTANT and/or its Subcontractors: BY SIGNING THIS AGREEMENT, CONSULTANT AFFIRMS THAT IT HAS DISCLOSED ANY FINAL JUDGMENTS, DECISIONS OR ORDERS FROM A COURT OR INVESTIGATORY GOVERNMENT AGENCY FINDING – IN THE FIVE (5) YEARS PRIOR TO EXECUTING THIS AGREEMENT – THAT CONSULTANT OR ITS SUBCONTRACTOR(S) HAS VIOLATED ANY APPLICABLE WAGE AND HOUR LAWS. CONSULTANT FURTHER AFFIRMS THAT IT OR ITS SUBCONTRACTOR(S) HAS SATISFIED AND COMPLIED WITH – OR HAS REACHED AGREEMENT WITH THE CITY REGARDING THE MANNER IN WHICH IT WILL SATISFY – ANY SUCH JUDGMENTS, DECISIONS OR ORDERS.

Judgments or Decisions During Term of Contract: If at any time during the term of this Agreement, a court or investigatory government agency issues a final judgment, decision or order finding that CONSULTANT or an subcontractor it employs to perform work under this Agreement has violated any applicable wage and hour law, or CONSULTANT learns of such a judgment, decision, or order that was not previously disclosed, CONSULTANT shall inform the City Attorney, no more than fifteen (15) days after the judgment, decision or order becomes final or of learning of the final judgment, decision or order. CONSULTANT and its subcontractors shall promptly satisfy and comply with any such judgment, decision, or order, and shall provide the City Attorney with documentary evidence of compliance with the final judgment, decision or order within five (5) days of satisfying the final judgment, decision or order. The City reserves the right to require CONSULTANT to enter into an agreement with the City regarding the manner in which any such final judgment, decision, or order will be satisfied.

City's Right to Withhold Payment: Where CONSULTANT or any subcontractor it employs to perform work under this Agreement has been found in violation of any applicable wage and hour law by a final judgment, decision or order of a court or government agency, the City reserves the right to withhold payment to CONSULTANT until such judgment, decision or order has been satisfied in full.

Material Breach: Failure to comply with any part of this Section constitutes a material breach of this Agreement. Such breach may serve as a basis for immediate termination of this Agreement and/or any other remedies available under this Agreement and/or law.

Notice to City Related to Wage Theft Prevention: Notice provided to the City Attorney as required under this Section shall be addressed to: City Attorney, City of Morgan Hill, 17575 Peak Avenue, Morgan Hill, CA 95037. The Notice provisions of this Section are separate from any other notice provisions in this Agreement and, accordingly, only notice provided to the above address satisfies the notice requirements in this Section.

10. **Independent Contractor**. CONSULTANT is an independent contractor and not an agent or employee of CITY.
11. **Confidentiality**. All data, documents, or other information received by CONSULTANT from CITY or prepared in connection with CONSULTANT'S services under this Agreement are deemed confidential and shall not be disclosed to any third party by CONSULTANT without prior written consent by CITY.
12. **Conflict of Interest and Reporting**. CONSULTANT shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.
13. **Notices**. All notices shall be personally delivered or mailed, via first class mail to the below listed address. These addresses shall be used for delivery of service of process. Notices shall be effective five (5) days after date of mailing, or upon date of personal delivery.

Address of CONSULTANT is as follows:

Lisa Wise Consulting, Inc.
983 Osos Street
San Luis Obispo, CA 93401
(805) 595-1345

Address of CITY is as follows:

Asst. City Mgr. / Dev. Services	with a copy to:
City of Morgan Hill	City Clerk
17575 Peak Avenue	City of Morgan Hill
Morgan Hill, CA 95037	17575 Peak Avenue
	Morgan Hill, CA 95037

14. **Licenses, Permits and Fees**. CONSULTANT shall obtain a City of Morgan Hill Business License, all permits and licenses to the extent required by ordinances, codes and regulations of the federal, state and local government.

15. **Maintenance of Records**.

- 15.1. **Maintenance**. CONSULTANT shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and CITY rules and ordinances related to services provided under this Agreement. CONSULTANT shall maintain records for a period of at least 3 years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the 3-year period, then CONSULTANT shall retain said records until such action is resolved.

15.2. **Access to and Audit of Records.** The CITY shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONSULTANT and its subcontractors related to services under this Agreement. Pursuant to Government Code Section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the Parties to this Agreement may be subject, at the request of the CITY or as part of any audit of the CITY, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

15.3. **Ownership of Work Product.** All documents or other information developed or received by CONSULTANT for work performed under this Agreement shall be the property of CITY. CONSULTANT shall provide CITY with copies of these items upon demand or upon termination of this Agreement.

16. **Familiarity with Work.** By executing this Agreement, CONSULTANT represents that: (1) it has investigated the work to be performed; (2) it has investigated the site of the work and is aware of all conditions there; and (3) it understands the difficulties and restrictions of the work under this Agreement. Should CONSULTANT discover any conditions materially differing from those inherent in the work or as represented by CITY, it shall immediately inform CITY and shall not proceed, except at CONSULTANT'S risk, until written instructions are received from CITY.

17. **Time of Essence.** Time is of the essence in the performance of this Agreement.

18. **No Assignment.** Neither this Agreement nor any portion shall be assigned by CONSULTANT, without prior written consent of CITY. Any attempted assignment not first approved by CITY shall be void and, at CITY's option, shall terminate this Agreement effective as of the date of such attempted assignment.

19. **Attorney Fees.** In any legal action, dispute or arbitration arising out of or relating to this Agreement, the prevailing party shall be entitled to an award of its reasonable attorney fees, costs and expenses incurred.

20. **Defense and Indemnification.**

20.1. **Defense and Indemnification.** CONSULTANT shall, to the fullest extent permitted by law, indemnify, defend and hold harmless CITY, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers ("INDEMNITEES") from and against any and all claims, liabilities, expenses, liens, or damages of any nature, including liability for bodily injury, property damage or personal injury, and including reasonable attorneys' fees and expenses, that arise out of, pertain to, or relate to the performance of this Agreement or the failure to comply with any obligations contained in this Agreement by CONSULTANT, and/or its agents, officers, employees, subcontractors, or independent contractors ("CLAIM").

20.2. **Exceptions.** CONSULTANT is not required to indemnify INDEMNITEES against liability for bodily injury, property damage or personal injury, or any other loss, damage or expense arising from the sole negligence or willful misconduct of the CITY.

20.3. **Not limited by insurance.** The indemnity, defense and hold harmless provisions of this Agreement apply to all CLAIMs alleged against an INDEMNITEE, regardless of whether any insurance policies are applicable. Policy limits do not act as a limitation upon the amount of indemnification or defense to be provided by CONSULTANT.

20.4. Right to Offset. CITY shall have the right to offset against any compensation due CONSULTANT under this Agreement any amount due CITY from CONSULTANT as a result of CONSULTANT's failure to pay CITY promptly any indemnification arising under this Section (20) and any amount due CITY from CONSULTANT arising from CONSULTANT's failure either to (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

20.5. Interpretation. This Section shall constitute an agreement or contract of indemnity, incorporating the interpretations under California Civil Code Section 2778. It is expressly understood and agreed that the obligation of the CONSULTANT to indemnify the INDEMNITEE shall be as broad and inclusive as permitted by the laws of the State of California and shall survive termination of this Agreement.

21. Entire Agreement; Modification; Conflicting Provisions. This Agreement constitutes the entire Agreement between the Parties and supersedes any previous agreements, oral or written. This Agreement may be modified or provisions waived only by a subsequent mutual written agreement executed by CITY and CONSULTANT. If the provisions contained in the main body of this Agreement conflict with any provision contained in an exhibit to this Agreement, the provisions of the main body of this Agreement shall govern and control over any provision contained in an exhibit to this Agreement.

22. Governing Law and Venue. This Agreement shall be construed in accordance with the laws of the State of California. This Agreement was entered into and is to be performed in the County of Santa Clara. Any action or dispute arising out of this Agreement shall only be brought in Santa Clara County.

23. Interpretation. This Agreement is a negotiated document and shall be deemed to have been drafted jointly by the Parties, and no rule of construction or interpretation shall apply against any particular Party based on a contention that the Agreement was drafted by one of the Parties including, but not limited to, California Civil Code § 1654, the provisions of which are hereby waived. This Agreement shall be construed and interpreted in a neutral manner.

24. Preservation of Agreement. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the rest of the Agreement shall remain in full force and effect and shall in no way be affected or invalidated.

25. Binding Agreement. Notwithstanding the provisions of Section 18 above, this Agreement shall bind any and all successors in interest, legal representatives and/or other permitted assignees or transferees of CONSULTANT in the same manner as if those successors in interest, legal representatives or other permitted assignees or transferees had entered into this Agreement originally.

[Signatures on Next Page]

Attachment: Consultant Agreement (1871 : Monterey Corridor Block-Level Master Plan)

26. **Authority to Execute.** Those individuals who are signing this Agreement on behalf of entities represent and warrant that they are, respectively, duly authorized to sign on behalf of the entities and to bind the entities fully to each and all of the obligations set forth in this Agreement.

IN WITNESS THEREOF, these Parties have executed this Agreement on the day and year shown below.

AS SET FORTH IN CA. CORP. CODE § 313, TWO SIGNATURES ARE REQUIRED FOR CALIFORNIA CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
 (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.

ATTEST:

CITY OF MORGAN HILL

 City Clerk/Deputy City Clerk

 City Manager

 Michelle Bigelow
 Print Name

 Christina J. Turner
 Print Name

Date: _____

Date: _____

APPROVED AS TO FORM:

 City Attorney

By: _____

 Donald A. Larkin
 Print Name

 Print Name and Title of Signer.
 If Corporate: Chairman, President or
 Vice President

Date: _____

Date: _____

By: _____

 Print Name and Title of Signer.
 If Corporate: Secretary, Assistant
 Secretary, Chief Financial Officer or
 Assistant Treasurer

Date: _____

**EXHIBIT A
SCOPE OF SERVICES**

Per Attached

**EXHIBIT B
SCHEDULE OF COMPENSATION RATES**

Per Attached

Attachment: Consultant Agreement (1871 : Monterey Corridor Block-Level Master Plan)

**EXHIBIT C
SCHEDULE OF PERFORMANCE**

Per Attached

Attachment: Consultant Agreement (1871 : Monterey Corridor Block-Level Master Plan)

Exhibit A - Scope of Services

SCOPE OF WORK

City of Morgan Hill: Block-Level Master Plan

TASK 1: PROJECT INITIATION AND MANAGEMENT

LWC will prepare for and attend one project initiation meeting with City staff (Trip 1). At the project initiation meeting, LWC and the project team will review the project timeline and scope of work and confirm project goals and objectives. LWC will provide notes from the project initiation meeting.

LWC will maintain constant communication with the City and project team members throughout the duration of the project. LWC project management duties will include ongoing correspondence with the City and team members, as well as team conference calls (as necessary).

Deliverables:

- Project initiation meeting agenda
- Project initiation meeting notes

TASK 2: COMMERCIAL ANALYSIS

Christine Firstenberg, Retail Real Estate Resources/Metrovation, will complete a commercial analysis consisting of the following:

- Conduct a physical inspection of each of the 12 blocks identified in Exhibit A (Blocks) of the City's draft Block-Level Master Plan (BLMP) ordinance.
- Analyze the commercial qualities of each parcel for both mid-block and corner block conditions.
- Provide parcel maps and aerials for each of the commercially viable parcels.
- Review the City's draft BLMP ordinance to determine if any sections would have unintended consequences with regards to requiring commercial uses on such blocks/parcels and provide suggested redline changes.
- Explain why commercial uses could/could not be viable parcel by parcel.

- Review Exhibit C (Monterey Corridor Block-Level Master Plan Zone) use and general requirements and add comments or provide suggested redline changes.

Deliverables:

- A memo outlining the suggested changes/suggestions
- Parcel maps and aerials (estimated to be 103 parcels)

TASK 3: FRONTAGE TYPES

LWC will develop standards for frontage types to better address the interface of the public and private realms, improve the overall building aesthetic along Monterey Road, and reflect base flood elevation constraints. LWC will conduct the following tasks to develop frontage types standards that will be applicable to properties zoned Mixed Use Flex (MU-F) along Monterey Road (i.e., 12 blocks identified in Exhibit A (Blocks) of the City's draft BLMP ordinance).

1. Document existing conditions of the built environment along the Monterey Corridor and other areas of Morgan Hill (if necessary) to inform the development of desired frontage type standards along the Monterey Corridor. This documentation will consist of LWC photographing and measuring existing buildings, with the focus on building façades and the relationship of the façades to the street (e.g., building placement, setbacks, etc.). This documentation will be completed during Trip 1, i.e. the same trip for the in-person project initiation meeting.
2. Conduct an in-depth review of the current Zoning Code to ensure frontage standards will be compatible with the Zoning Code, which may include suggesting language that would avoid potential inconsistencies or conflicts (e.g., BLMP Overlay Zone standards supersede in the event of a conflict). LWC will also review and make recommendations regarding the draft ordinance language in Exhibit C (Section 18.30.035 Monterey Corridor Block-Level Master Plan Zone), provided by the City, as it relates to frontage standards.
3. Develop a list of allowed building frontage types (up to eight frontage types) and associated standards and definitions, including graphics and tables as necessary. LWC will incorporate standards for creating street level interest, such as requiring a frontage to be pulled back from the street to provide visual interest on a long block, requiring some form of civic space on the frontage (e.g., small courtyard), and requiring breaks in buildings for pedestrian connections. LWC will also incorporate relevant recommendations from Task 2 (commercial analysis). LWC will provide an administrative draft for City review and participate in one team call to discuss the administrative draft standards. LWC will make one round of revisions to incorporate the City's comments.

4. LWC will recommend how frontage standards should be integrated efficiently into the current Zoning Code. This scope assumes that no amendments to procedures, permits, or administration sections of the Code will be necessary (e.g., no new procedures or nonconforming provisions would be prepared to address frontage standards).

Deliverables:

- Administrative draft frontage type standards, including graphics and associated text (electronic, Word format)
- Public review draft frontage type standards, including graphics and associated text (electronic, Word format)

TASK 4: PUBLIC WORKSHOP 1 - INITIATE VISIONING/GOAL SETTING DISCUSSION

LWC will conduct one public workshop (Trip 2) to initiate visioning and goal setting for the Monterey Corridor area, focused on the MU-F Zone. This public workshop is meant to garner feedback that will facilitate the crafting of preliminary guiding principles for the development of Monterey Corridor. These preliminary guiding principles are intended to be built upon during future specific plan efforts in the project area.

This public workshop will include a PowerPoint presentation describing background and context, including information from the General Plan, Monterey Corridor Market and Capacity Study, and June 15, 2017 stakeholder meeting. LWC staff members will facilitate small group discussions (up to three) and produce materials to facilitate group discussion (e.g., questionnaire, handout, flip charts, etc.). Workshop material may incorporate work from Tasks 2 and 3, if available and appropriate to further the visioning and goal setting purpose of this workshop. Draft workshop material will be provided for City review, then LWC will prepare final workshop materials based on the City's comments. This scope assumes that any large maps for the workshop will be produced by the City.

The meeting will be attended by up to three LWC staff. LWC will provide a summary of the workshop. The City will be responsible for securing a meeting space, noticing, and distributing outreach materials.

Deliverables:

- Draft PowerPoint presentation and group discussion materials (e.g., questionnaire)
- Final PowerPoint presentation and group discussion materials (e.g., questionnaire)
- Workshop summary notes

TASK 5: PUBLIC WORKSHOP 2 – COUNCIL/COMMISSION

LWC will conduct one public workshop (Trip 3) with the City Council and/or Planning Commission to present the draft frontage standards (Task 3), and Ms. Firstenberg will attend and present recommendations from the commercial analysis (Task 2). This workshop will provide an opportunity for public input and comment on the draft frontage standards and recommendations from the commercial analysis. Preliminary work and/or options for connectivity and any additional standards (Task 6) will also be discussed. LWC will prepare a PowerPoint presentation for City review. LWC and Ms. Firstenberg will attend the workshop. The City will be responsible for securing a meeting space, noticing, and distributing outreach materials.

Deliverables:

- Draft PowerPoint presentation
- Final PowerPoint presentation

TASK 6: DRAFT ORDINANCE STANDARDS

LWC will prepare an exhibit comprising the BLMP standards for inclusion in the ordinance based on input from City staff and the public workshops. In addition to frontage types (Task 3), LWC will draft standards to address connectivity per the General Plan, such as pedestrian and bicycle access standards and maximum block sizes. LWC will also review and make any additional recommendations regarding the draft ordinance language in Exhibit C (Section 18.30.035 Monterey Corridor Block-Level Master Plan Zone), provided by the City, that was not already addressed in frontage standards (Task 3). LWC will incorporate any relevant recommendations from the commercial analysis (Task 2). LWC will provide up to three graphics outside of the frontage type standards if needed to illustrate the additional connectivity or related standards.

LWC will provide one administrative draft ordinance exhibit to the City for review and comment. LWC will incorporate the City's comments on the administrative draft ordinance standards and provide the City with the public hearing draft ordinance standards. The City would be responsible for incorporating the exhibit into the City's ordinance template, completing the other sections of the ordinance (recitals, findings, etc.), and incorporating the commercial analysis parcel maps and aerials provided in Task 2 into a format appropriate for the City's ordinance. LWC will review and comment on the ordinance maps prepared by the City.

Deliverables:

- Administrative draft ordinance exhibit (electronic, Word)
- Public hearing draft ordinance exhibit (electronic, Word)

TASK 7: CITY COUNCIL AND PLANNING COMMISSION HEARINGS

LWC will prepare for and attend one public hearing (Trip 4) before the Planning Commission and one public hearing (Trip 5) before the City Council to present the ordinance for adoption in coordination with City staff. LWC will prepare a brief PowerPoint presentation, which is anticipated to remain the same, except for minor updates between Planning Commission and City Council.

Deliverables:

- Draft PowerPoint presentation
- Final PowerPoint presentation

TASK 8: FINAL ORDINANCE STANDARDS

LWC will prepare the final ordinance standards by incorporating direction from the Planning Commission and City Council. LWC will make one round of edits to produce the final ordinance standards.

Deliverable: Final ordinance exhibit (electronic, Word)

NOTES/ASSUMPTIONS

- CEQA. No CEQA analysis is included in this Scope.
- Zoning Code Word files. LWC assumes that the City can provide readable/editable (e.g., MS Word files) of the current Zoning Code.
- Meeting Attendance. The project budget includes in-person attendance at only those meetings identified in the Scope of Work as trips.
- Consolidated Comments and Direction. City staff will provide a single set of nonconflicting, consolidated comments on the review drafts of all documents.
- Additional Services. Additional services beyond those identified in the Scope of Work will be provided at the market billing rates of the firm at the time the additional services are requested.

Exhibit B - Schedule of Compensation

Prepared by Lisa Wise Consulting, Inc. July 18, 2018		City of Morgan Hill - Block Level Master Plan Services											
		LWC										Christine Firstenberg Christine	TOTAL
		Principal \$250		Director \$195		Senior \$175		Associate \$140		LWC Firm Total		Firstenberg Total	
		Hours	Fee	Hours	Fee	Hours	Fee	Hours	Fee	Hours	Fee	Fee	Fee
TASK 1	PROJECT INITIATION AND MANAGEMENT	2	\$ 500	8	\$ 1,560	12	\$ 2,100	8	\$ 1,120	30	\$ 5,280	\$ -	\$ 5,280
TASK 2	COMMERCIAL ANALYSIS	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 16,500	\$ 16,500
TASK 3	FRONTAGE TYPES	2	\$ 500	12	\$ 2,340	24	\$ 4,200	40	\$ 5,600	78	\$ 12,640	\$ -	\$ 12,640
TASK 4	PUBLIC WORKSHOP 1 - INITIATE VISIONING/GOAL SETTING	1	\$ 250	8	\$ 1,560	16	\$ 2,800	16	\$ 2,240	41	\$ 6,850	\$ -	\$ 6,850
TASK 5	PUBLIC WORKSHOP 2 - COUNCIL/COMMISSION	1	\$ 250	8	\$ 1,560	16	\$ 2,800	8	\$ 1,120	33	\$ 5,730	\$ 2,500	\$ 8,230
TASK 6	DRAFT ORDINANCE STANDARDS	1	\$ 250	4	\$ 780	16	\$ 2,800	24	\$ 3,360	45	\$ 7,190	\$ -	\$ 7,190
TASK 7	COUNCIL/COMMISSION HEARINGS	2	\$ 500	12	\$ 2,340	18	\$ 3,150	8	\$ 1,120	40	\$ 7,110	\$ -	\$ 7,110
TASK 8	FINAL ORDINANCE STANDARDS	-	\$ -	1	\$ 195	2	\$ 350	4	\$ 560	7	\$ 1,105	\$ -	\$ 1,105
Project Total		9	\$ 2,250	53	\$ 10,335	104	\$ 18,200	108	\$ 15,120	274	\$ 45,905	\$ 19,000	\$ 64,905

Notes

Reimbursable Expenses. The budget includes direct costs related to the project, including travel expenses, mailing costs, printing costs, and other similar reimbursable expenses.

Budget Allocation. LWC reserves the right to reallocate budget between various consulting team members and between tasks, provided the overall project budget does not change.

Subconsultant fee includes a 10% LWC mark-up for administration and management.

Exhibit C - Schedule of Performance

City of Morgan Hill

Block Level Master Plan Services

Estimated Timeline Prepared July 11, 2018		2018					
PROJECT TASKS		July	Aug	Sept	Oct	Nov	Dec
TASK 1	Project Initiation and Management						
TASK 2	Commercial Analysis						
TASK 3	Frontage Types						
TASK 4	Public Workshop 1 - initiate visioning/goal setting discussion						
TASK 5	Public Workshop 2 - Council/Commission						
TASK 6	Draft Ordinance Standards						
TASK 7	Council/Commission Hearings*						
Task 8	Final Ordinance Standards*						

* Schedule may be impacted by the Thanksgiving holiday.



CITY COUNCIL STAFF REPORT

MEETING DATE: July 25, 2018

PREPARED BY: Christina Turner, City Manager
APPROVED BY: City Manager

RESOLUTION IN SUPPORT OF PROTECT CHILDREN AND KEEP FAMILIES TOGETHER

RECOMMENDATION(S)

Adopt resolution in support of "Protect Children and Keep Families Together."

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Supporting Our Youth

Seniors

and Entire Community

Enhancing Diversity and Inclusiveness

REPORT NARRATIVE:

At the June 20, 2018 City Council meeting, Council Member Carr requested the Mayor issue a Statement on behalf of the City expressing the City's opposition to President Trump's practice of separating children from their parents at the United States Border with Mexico.

The City of Morgan Hill joins the countless organizations who have raised concern regarding the significant and long-lasting consequences for the safety, health, development, and well-being of the immigrant children separated from their parents and families. The City is committed to being inclusive and will do anything in its power to support our youth, seniors, and entire community.

On June 28, 2018, the Mayor signed the attached Statement of the City of Morgan Hill on Family Separation in support of the Families Belong Together rally that took place in Morgan Hill on June 30, 2018. The attached resolution further proclaims the City's commitment to protect children and keep families together.

COMMUNITY ENGAGEMENT: Inform

ALTERNATIVE ACTIONS:

Council may decide not to approve resolution.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

This future business request was made on June 20, 2018 by Council Member Carr.

FISCAL AND RESOURCE IMPACT:

There is no fiscal impact.

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.

LINKS/ATTACHMENTS:

1. Statement on Family Separation 6.28.2018
2. Resolution - Keep Families Together 7.25.18



17575 Peak Avenue
Morgan Hill, CA 95037-4128
TEL: (408) 779-7271
FAX: (408) 779-3117
www.morganhill.ca.gov

June 28, 2018

STATEMENT OF THE CITY OF MORGAN HILL ON FAMILY SEPARATION

On behalf of the City of Morgan Hill City Council, I write to express our strong opposition to President Trump's family separation policy as it is immoral, inhumane, unjust and un-American. Governing by fear and division under the "zero tolerance" policy should be ended immediately and all possible action undertaken to reunite separated families.

The Morgan Hill community prides itself on being inclusive and will do everything in its power to keep families together. The systematic practice of separating parents and children violates the values on which our great nation was founded and longstanding precedent protecting rights to family integrity. It also burdens the federal criminal justice and immigration systems and increases government costs. While we understand that the arrival of families at our southern border creates challenges for the government, we encourage the Administration to address these challenges by means that are humane, fair, effective, and uphold the law and our values as a country.

Sincerely,

Steve Tate
Mayor

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL IN SUPPORT OF PROTECT CHILDREN AND KEEP FAMILIES TOGETHER

WHEREAS, the City of Morgan Hill prides itself on being inclusive and will do anything in its power to keep families together; and

WHEREAS, the Federal Government implemented a zero-tolerance immigration policy that resulted in separation of undocumented children from their parents; and

WHEREAS, the systematic practice of separating parents and children is antithetical to the values on which our great nation was founded, violates longstanding precedent protecting rights to family integrity, burdens the federal criminal justice and immigration systems, and increases the cost to the government.

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

1. The City of Morgan Hill registers its strong opposition to separating children from their families at the border.
2. The City of Morgan Hill encourages the Trump Administration to address these challenges by means that are humane, fair, effective – and uphold the law and our values as a country.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Morgan Hill at a regular meeting held on the 25th day of July 2018.

AYES: **COUNCIL MEMBERS:**
NOES: **COUNCIL MEMBERS:**
ABSTAIN: **COUNCIL MEMBERS:**
ABSENT: **COUNCIL MEMBERS:**

APPROVED:

ATTEST:

STEVE TATE, Mayor

IRMA TORREZ, City Clerk

∞ CERTIFICATION ∞

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. XX-XXX, adopted by the City Council at a regular meeting held on July 25, 2018.

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

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: July 25, 2018

PREPARED BY: Rebecca Garcia, Housing Manager
APPROVED BY: City Manager

CITY POSITION ON PROPOSED HOUSING AND HOMELESSNESS LEGISLATION

RECOMMENDATION(S)

Receive legislative correspondence.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Supporting Our Youth

Seniors

and Entire Community

Preserving and Cultivating Public Trust

2018 Strategic Priorities

Regional Initiatives

GUIDING DOCUMENTS

General Plan/Housing Element

REPORT NARRATIVE:

Consistent with Resolution No. 6851, the City Council recognizes occasional situations arise where communication indicating support or opposition regarding pending State legislation is timely and may occur prior to the next scheduled City Council meeting. Under these circumstances, the Mayor or City Manager is delegated the authority to prepare, execute and transmit written or verbal communications indicating a City's position on pending legislation as long as the following criteria are met: a) the League of California Cities has requested the City to comment or take a position, b) the timing to express a position occurs prior to the next scheduled Council meeting, and c) the pending State legislation clearly supports or clearly hinders the implementation or fulfillment of an adopted City Council Priority, Goal, or Strategy. When this occurs, a written report to the City Council is required at the next possible meeting.

The League of California Cities (League) called attention to the following proposed housing and homelessness legislation, currently in committee. Letters were written, consistent with League recommendations.

SB 828 (Wiener) Regional Housing Needs Assessment (RHNA). League Position: Oppose Unless Amended. It is recommended that the City oppose unless amended. This bill modifies existing codified intent language that recognizes that cities may not meet RHNA housing goals and makes numerous changes to the housing RHNA methodology to account for overcrowding; jobs/housing imbalance; "cost burdened"; and racial and economic disparities. Unfortunately, this proposal does not consider

previous affordable efforts made, nor does it recognize cities like Morgan Hill who have aggressively protected and defended the affordability covenants of below market rate (BMR) homes, and extended affordability terms to extend the life of the affordable property; historical efforts are not recognized. The City recognizes the vital need to strengthen affordability efforts state-wide and has proceeded to formally recognize the need for the City's RHNA goals to be met at all income levels and has made significant efforts to work towards achieving those goals. We cannot, however, agree that a methodology be created that does not holistically look at the historical efforts made by cities, or that creates a "one size fits all" approach to policy development.

AB 1771 (Bloom) Regional Housing Needs Assessment. League Position: Oppose Unless Amended. It is recommended that the City oppose unless amended. This bill is focused on the assessment methodology. It allocates a higher proportion of housing needs to an income category when a jurisdiction already has a disproportionately low share of households in that income category and increases access to areas of high opportunity for lower-income residents, avoiding displacement and affirmatively furthering fair housing. Similarly, the City recognizes the vital need to strengthen affordability efforts state-wide and the importance of fair housing efforts; however, this proposal does not consider the City's past performance or any per capita affordability efforts made. The City of Morgan Hill has produced one in eight homes as affordable and deed restricted, a commendable achievement. Additionally, Morgan Hill has made significant efforts to align its local growth control measure, the Residential Development Control System (RDSCS) with current and future RHNA goals to ensure that every opportunity is created to meet the City's affordable goals.

AB 2890 (Ting) Accessory Dwelling Units (ADU). League Position: Oppose. It is recommended that the City oppose this proposal. This bill allows an ADU anywhere a house exists, an unlimited number of ADUs in a multifamily building, an ADU and a Junior Accessory Dwelling Unit (JADU) on each lot, and it prohibits owner occupancy requirements. In addition, the bill sets accelerated review time standards. The City will be unable to accommodate a 60-day review period and is concerned about the various implications and unintended consequences that could be created as not all city zoning and land use is equal.

AB 2161 (Chiu) Housing: Homeless Integrated Data Warehouse. League Position: Support. It is recommended that the City support this proposal. This bill directs the Department of Housing and Community Development (HCD) to create a state homeless integrated data warehouse to develop a composite portrayal of the homeless population in the state and the services provided to this population or to those at risk of becoming homeless. Data includes the number of individuals and families experiencing homelessness, their access to benefits, and the stated reasons for their homelessness. Data integration across systems will allow cities to measure the extent of homelessness, the causes, the relationship between agencies, and is essential to combating and preventing it. The data will serve to inform policymakers and advocates on demographics, trends, and the availability and usage of services among America's homeless population. Improved accuracy and detail of homeless data will influence all aspects of HUD's policies as well as those of its partner agencies. Complementary data

collection efforts offer a more in-depth picture of homelessness that enables policymakers to target resources toward effective assistance models and more quickly adapt less effective programs.

SB 840 and SB 850 Homelessness Funding. League Position: Support. It is recommended that the City support this proposal to continue efforts to solve and prevent homelessness. This proposal allocates \$500 million onetime funding for homelessness, of which \$250 million is to the County Continuum of Care, \$150 million directly to the largest cities, and allocates \$100 million to Continuum of Care (COC) based on point in time count (PIT) results.

AB 1827 No Place Like Home. League Position: Support. It is recommended that the City support this proposal. The No Place Like Home program is to be placed on the November 2018 ballot, a \$2 billion bond to house mentally ill individuals experiencing homelessness. Locating available, affordable housing in Silicon Valley takes patience and persistence. People with mental health disabilities, particularly those on social security or limited incomes, face even more difficulties finding a place to live. There are more than 2,000 chronically homeless individuals in the County, representing 33% of the general homeless population. They tend to have high rates of behavioral health problems, including severe mental illness and substance abuse disorders, conditions that may be exacerbated by physical illness, injury, or trauma. Consequently, they are frequent users of emergency services, crisis response, and public safety systems.

AB 3162 (Friedman) Alcoholism or Drug Abuse Recovery or Treatment Facilities (RTF). League Position: Support. It is recommended that the City support this proposal. This bill makes various changes to current law regarding residential alcoholism or drug abuse recovery or treatment facilities licensed by the Department of Health Care Services, increasing accountability and making initial licenses provisional for one year, requiring services offered by the RTF to be specified on the license and provided within the licensed RTF. Additionally, it would increase civil penalties for the violation of licensing law.

In order to express the City's position in a timely manner, letters of support or in opposition were submitted electronically via the League's online Action Center, mail, and fax to the appropriate representatives from the Mayor and City Manager on July 20, 2018.

COMMUNITY ENGAGEMENT: Inform

ALTERNATIVE ACTIONS:

Council could rescind position taken.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

None.

FISCAL AND RESOURCE IMPACT:

No fiscal impact.

CEQA (California Environmental Quality Act):

Not a Project - Proposals for legislation to be enacted by the State Legislature.

LINKS/ATTACHMENTS:

1. AB3162 letter of support
2. AB1827 letter of support
3. SB840 & 850 letter of support
4. AB2161 letter of support
5. AB1771 letter of opposition
6. AB2890 letter of opposition
7. SB828 letter of opposition



17575 Peak Avenue
Morgan Hill, CA 95037-4128
TEL: (408) 779-7271
FAX: (408) 779-3117
www.morganhill.ca.gov

July 18, 2018

The Honorable Laura Friedman
California State Assembly, District 43
State Capitol
P.O. Box 942849
Sacramento, CA 94249-0043
VIA FAX: (916) 319-2143

RE: AB 3162 (Friedman). Alcoholism or Drug Abuse Recovery of Treatment Facilities.
Notice of Support (As Amended June 18, 2018)

Dear Assembly Member Friedman:

The City of Morgan Hill is pleased to support AB 3162, legislation that will make changes to current law regarding residential alcoholism or drug abuse recovery or treatment facilities licensed by the Department of Health Care Services.

The City of Morgan Hill believes that organizations which promote service to struggling populations should provide the care that they advertise, therefore, supports reform of outdated regulations for the licensing of residential drug and alcohol treatment facilities to enable authority for the Department of Health Care Services to ensure compliance with existing licensing laws.

For these reasons, City of Morgan Hill **supports** AB 3162.

Sincerely,

Steve Tate
Mayor

Christina Turner
City Manager

Cc: Assembly member Anna Caballero (fax: 916-319-2130)
Senator Bill Monning (fax: 916-651-4917)
Seth Miller, Regional Public Affairs Manager, League of CA Cities, smiller@cacities.org
Meg Desmond, League of California Cities, mdesmond@cacities.org

Attachment: AB3162 letter of support (1874 : Housing and Homelessness Legislation)



17575 Peak Avenue
Morgan Hill, CA 95037-4128
TEL: (408) 779-7271
FAX: (408) 779-3117
www.morganhill.ca.gov

July 18, 2018

Senate Budget and Fiscal Review Committee
State Senate
State Capitol, Room 5019
Sacramento, CA 95814
VIA FAX: (916) 668-7004

RE: AB 1827 (Committee on Budget and Fiscal Review). No Place Like Home.

Notice of Support

Dear Committee on Budget and Fiscal Review:

The City of Morgan Hill is pleased to support AB 1827, which will appear on November 2018 ballots. This legislation will help to fund efforts to end Homelessness for the mentally ill in California.

As indicated by the Auditor's report on *Homelessness in California*, the state leads the nation with the highest number of people experiencing homelessness (134,000) and the highest proportion of unsheltered homeless persons (68 percent) of any state. In contrast, New York City shelters all but 5 percent and Boston three percent of their homeless populations.

By granting cities and counties deeper funding to help support programs that help to end homelessness for mentally ill individuals, many more positive outcomes are possible. Currently Morgan Hill works in collaboration with the County to help fund 2 Homeless Outreach workers, Rapid Housing program, and a Safe Park Program serving 8 families. With additional funding, the City could further its efforts to provide more extensive outreach and create more programs to help house and provide services to our city's mentally ill homeless population.

For these reasons, the City of Morgan Hill **supports** AB 1827.

Sincerely,

Steve Tate
Mayor

Christina Turner
City Manager

Cc: Assembly member Anna Caballero (fax: 916-319-2130)
Senator Bill Monning (fax: 916-651-4917)
Seth Miller, Regional Public Affairs Manager, League of CA Cities, smiller@cacities.org
Meg Desmond, League of California Cities, mdesmond@cacities.org

Attachment: AB1827 letter of support (1874 : Housing and Homelessness Legislation)



17575 Peak Avenue
Morgan Hill, CA 95037-4128
TEL: (408) 779-7271
FAX: (408) 779-3117
www.morganhill.ca.gov

July 18, 2018

Senate Budget and Fiscal Review Committee
State Senate
State Capitol, Room 5019
Sacramento, CA 95814
VIA FAX: (916) 668-7004

RE: SB 840 & 850 (Committee on Budget and Fiscal Review). Homelessness Funding.

Notice of Support

Dear Committee on Budget and Fiscal Review:

The City of Morgan Hill is pleased to support SB 840 & 850, legislation that will help to fund efforts to end Homelessness in California.

As indicated by the Auditor's report on *Homelessness in California*, the state leads the nation with the highest number of people experiencing homelessness (134,000) and the highest proportion of unsheltered homeless persons (68 percent) of any state. In contrast, New York City shelters all but 5 percent and Boston three percent of their homeless populations.

By granting cities and counties deeper funding to help support programs that help to end homelessness, many more positive outcomes are possible. Currently Morgan Hill works in collaboration with the County to help fund 2 Homeless Outreach workers, Rapid Housing program, and a Safe Park Program serving 8 families. With additional funding, the City could further its efforts to provide more extensive outreach and create more programs to help house and provide services to our city's homeless population.

For these reason, the City of Morgan Hill **supports** SB 840 & 850.

Sincerely,

Steve Tate
Mayor

Christina Turner
City Manager

Cc: Assembly member Anna Caballero (fax: 916-319-2130)
Senator Bill Monning (fax: 916-651-4917)
Seth Miller, Regional Public Affairs Manager, League of CA Cities, smiller@cacities.org
Meg Desmond, League of California Cities, mdesmond@cacities.org

Attachment: SB840 & 850 letter of support (1874 : Housing and Homelessness Legislation)



17575 Peak Avenue
Morgan Hill, CA 95037-4128
TEL: (408) 779-7271
FAX: (408) 779-3117
www.morganhill.ca.gov

July 18, 2018

The Honorable David Chiu
California State Assembly, District 17
State Capitol
P.O. Box 942849
Sacramento, CA 94249-0017
VIA FAX: (916) 319-2117

RE: AB 2161 (Chiu). Homeless Data Collection.
Notice of Support (As Amended June 28, 2018)

Dear Assembly Member Chiu:

The City of Morgan Hill is pleased to support AB 2161, legislation that will create a statewide homeless integrated data warehouse, and respectfully requests the bill be removed from the suspense file.

As indicated by the Auditor's report on *Homelessness in California*, the state leads the nation with the highest number of people experiencing homelessness (134,000) and the highest proportion of unsheltered homeless persons (68 percent) of any state. In contrast, New York City shelters all but 5 percent and Boston three percent of their homeless populations.

By gathering data from local continuums of care and integrating it with data from the numerous state agencies that interact with homeless individuals, the state would have a valuable tool to assist with structuring programs and services that assist the homeless to improve outcomes and decrease administrative and program costs. A state data warehouse on homelessness would improve collaboration among state agencies, help assess the costs of homelessness to the state, provide greater transparency in state agency and grantees' operations, determine what interventions work to prevent or end homelessness, identify gaps in services, discover how patterns of service use relate to patterns of homelessness, analyze trends in homelessness, assess use of mainstream systems among people experiencing homelessness, and enhance planning and policy efforts to reduce homelessness.

For these reasons, the City of Morgan Hill **supports** AB 2161.

Sincerely,

Steve Tate
Mayor

Christina Turner
City Manager

Cc: Assembly member Anna Caballero (fax: 916-319-2130)
Senator Bill Monning (fax: 916-651-4917)
Seth Miller, Regional Public Affairs Manager, League of CA Cities, smiller@cacities.org
Meg Desmond, League of California Cities, mdesmond@cacities.org

Attachment: AB2161 letter of support (1874 : Housing and Homelessness Legislation)



17575 Peak Avenue
Morgan Hill, CA 95037-4128
TEL: (408) 779-7271
FAX: (408) 779-3117
www.morganhill.ca.gov

July 18, 2018

The Honorable Richard Bloom
California State Assembly, District 50
State Capitol
P.O. Box 942849
Sacramento, CA 94249-0050
VIA FAX: (916) 319-2150

RE: AB 1771 (BLOOM). Regional Housing Needs Assessment.

Notice of Opposition (As Amended June 20, 2018)

Dear Assembly Member Bloom:

Assembly Bill (AB) 1771 is proposed legislation that would make changes to how the Regional Housing Needs Allocation (RHNA) process is determined in housing element law.

The City of Morgan Hill opposes AB 1771, as the City believes that it is critical that the RHNA process be fair and balanced, and that the laws relating to RHNA compliance do not unfairly punish those jurisdictions with the highest RHNA numbers and the highest production. When one city gets 10 units in their RHNA and another gets 25,000, it is easy to see that equal outcomes aren't possible. This bill does not take the above circumstance into account when balancing allocations among cities.

The City of Morgan Hill opposes the addition of so many components of review and additional data collection. The additional complexity would make meeting the required timeframe for RHNA even more difficult for smaller, lower staffed cities, than it is now, with added process, HCD review and appeal, data collection, etc. In addition, some of the new data required to be considered may not be easily available, such as the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction through current rents.

The City of Morgan Hill opposes AB 1771 based on the fact that this bill does not recognize past RHNA performance per capita. To date, Morgan Hill has a Below Market Rate, owner occupied portfolio with 1 in 8 homes being deed restricted for low to moderate income households. For the past 40 years, Morgan Hill has made it a high priority to work with developers to consistently provide rental and owner-occupied housing units to all income levels. The City of Morgan Hill is concerned about the insufficient supply of affordable and attainable housing in the BayArea and continues to work with the local community on ways to incorporate affordable housing into our community. The City has a track record of encouraging and approving housing proposals which are consistent with our clear and well-accepted General Plan policies, development standards and design guidelines, as demonstrated by the recent development of the EAH 3 Scattered Site Development which is creating 39 new extremely low, very low, and low-income units with 6 of the units set aside for Transitional Aged Youth. Recent housing legislation calls into question, erodes local control over such development and does not provide provisions for communities who have made significant efforts towards meeting its RHNA goals.

For these reasons, the City of Morgan Hill **opposes** Assembly Bill 1771.

Sincerely,

Steve Tate
Mayor

Christina Turner
City Manager

Cc: Assembly member Anna Caballero (fax: 916-319-2130)
Senator Bill Monning (fax: 916-651-4917)
Seth Miller, Regional Public Affairs Manager, League of CA Cities, smiller@cacities.org
Meg Desmond, League of California Cities, mdesmond@cacities.org

Attachment: AB1771 letter of opposition (1874 : Housing and Homelessness Legislation)



17575 Peak Avenue
Morgan Hill, CA 95037-4128
TEL: (408) 779-7271
FAX: (408) 779-3117
www.morganhill.ca.gov

July 18, 2018

The Honorable Phil Ting
California State Assembly, District 19
P.O. Box 942849
Sacramento, CA 94249-0019
VIA FAX: (916) 319-2119

RE: AB 2890 (TING). Accessory Dwelling Units.

Notice of Opposition (As Amended July 3, 2018)

Dear Assembly Member Ting:

The City of Morgan Hill must respectfully oppose AB 2890. AB 2890 makes a number of changes to the accessory dwelling unit (ADU) law, including significant changes to existing provisions governing fees for service. Some of the amendments proposed in this bill will change provisions that were specifically negotiated in good faith when substantial changes to ADU law passed in 2016 (AB 2299 and SB 1069).

The City of Morgan Hill supports ADUs as an important option to help combat the housing crisis that our community is facing. And, while there is nothing in current law that requires newly constructed ADU's to be affordable, they can also be a new source of lower-cost housing in existing communities.

However, this will be the third year in a row with major ADU changes. Not to mention this bill is one of five dealing with ADUs. This bill, SB 831 (Wieckowski) and SB 1469 (Skinner) are three bills moving simultaneously with very similar, if not the same language – we believe at the very least, the bills should be consolidated. It's understandable that cleanup or clarifications have been and may continue to be needed. But we are very concerned that this bill, rather than being a cleanup measure, instead will place agreements that were just negotiated back on the table and make many substantial changes to the permitting process yet again. Importantly, it will also disrupt compliance by local governments working hard to update their ADU ordinances to reflect the changes required in the 2016 and 2017 ADU laws.

The City of Morgan Hill is most concerned with the following changes in the bill:

REMOVAL OF FEE AUTHORITY

The bill would eliminate local governments' ability to charge impact fees, connection fees, capacity charges, or any other fees levied by local governments, school districts, special districts or water corporations. Fees that pay for services required by a new ADU cannot just be passed onto other fee payers under existing law. Who will pay for the additional services that will be used by new ADU occupants? When SB 1069 was proposed, utility and hookup fees were specifically discussed and authorized based on these concerns. Those negotiated fees should not be revised.

VARIOUS PERMITTING CHANGES

The City of Morgan Hill is also concerned with many of the permitting changes proposed in the bill, including:

Requiring ordinances to designate areas where ADUs are *NOT* allowed based on preponderance of evidence, rather than existing law that allows local governments to designate areas where ADUs *ARE* allowed. This change alone will require ordinances that were just updated to be revised again.

Requiring ADUs in multi-family buildings, which could carve up existing units and potentially substantially increase the density.

Mandating ADUs and JADUs be allowed on the same lot rather than allowing this as an option.

Eliminating all floor area ratio lot coverage standards.

Elimination of the ability to require replacement of existing parking spaces in a garage conversion, which would result in a loss of all off-street parking spaces for both the primary residence and the ADU (and potential JADU).

ANNUAL ADU CHANGES

In general, the bill proposes another extensive round of changes to ADU law – the third year in a row. Local governments have been working very hard to comply with changes from both SB 1069 (Wieckowski)/AB 2299 (Bloom) signed into law in 2016 and SB 229 (Wieckowski)/AB 494 (Bloom) signed into law in 2017. And, given that local ADU ordinances have just been updated again, and ADU permits have increased substantially as noted by HCD, there seems to be no need for further major changes to the ADU law. The City of Morgan Hill would appreciate the Legislature allowing cities and counties time to focus on implementation of existing ADU laws, adding only clarifications or clean up where needed.

For these reasons, the City of Morgan Hill **opposes** Assembly Bill 2890.

Sincerely,



Steve Tate
Mayor



Christina Turner
City Manager

Cc: Assembly member Anna Caballero (fax: 916-319-2130)
 Senator Bill Monning (fax: 916-651-4917)
 Seth Miller, Regional Public Affairs Manager, League of CA Cities, smiller@cacities.org
 Meg Desmond, League of California Cities, mdesmond@cacities.org



17575 Peak Avenue
Morgan Hill, CA 95037-4128
TEL: (408) 779-7271
FAX: (408) 779-3117
www.morganhill.ca.gov

July 18, 2018

The Honorable Scott Wiener
California State Senate, District 11
State Capitol, Room 5100
Sacramento, CA 95814-4900
VIA FAX: (916) 651-4011

RE: SB 828 (Wiener). Regional Housing Needs Assessment.

Notice of Opposition (As Amended July 2, 2018)

Dear Senator Wiener:

Senate Bill (SB) 828 is proposed legislation that would revise existing Housing Element law and the related Regional Housing Needs Allocation (RHNA) process that would require a local jurisdiction to plan and accommodate for 200 percent of the local RHNA housing allocation for every income category in its housing element and would incorporate into the RHNA allocation the number of housing units which were not produced within the jurisdiction from the prior 8-year RHNA allocation.

The City of Morgan Hill opposes SB 828, as the City is not a developer and does not control the number of new housing units proposed by private parties nor those approved and/or built in a given year. The City of Morgan Hill's Housing Element provides a structure that allows for flexibility in gauging what a local jurisdiction can do in meeting its housing goals including: housing affordability, neighborhood quality and character, equal housing, sustainability and government collaboration. We should not lose sight of this process that is currently in place and works. The Regional Housing Needs Allocation (RHNA) process is a sensitive and difficult process. To think that a local jurisdiction can accommodate 200% of RHNA as well as any unit count carried over due to the failure of the private market to produce units in our community is unreasonable.

The City of Morgan Hill is concerned about the insufficient supply of affordable and attainable housing in the Bay Area and continues to work with the local community on ways to incorporate affordable housing into our community. The City has a track record of encouraging and approving housing proposals which are consistent with our clear and well-accepted General Plan policies, development standards and design guidelines, as demonstrated by the recent development of the EAH 3 Scattered Site Development which is creating 39 new extremely low, very low, and low-income units with 6 of the units set aside for Transitional Aged Youth. Recent housing legislation calls into question, erodes local control over such development and does not provide provisions for communities who have made significant efforts towards meeting its RHNA goals.

For these reasons, the City of Morgan Hill **opposes** Senate Bill 828.

Sincerely,

Steve Tate
Mayor

Christina Turner
City Manager

Cc: Assembly member Anna Caballero (fax: 916-319-2130)
Senator Bill Monning (fax: 916-651-4917)
Seth Miller, Regional Public Affairs Manager, League of CA Cities, smiller@cacities.org
Meg Desmond, League of California Cities, mdesmond@cacities.org

Attachment: SB828 letter of opposition (1874 : Housing and Homelessness Legislation)



CITY COUNCIL STAFF REPORT

MEETING DATE: July 25, 2018

PREPARED BY: Michelle Bigelow, Deputy City Clerk
APPROVED BY: City Manager

ADOPT ORDINANCE 2278, NEW SERIES, AN ORDINANCE OF THE CITY OF MORGAN HILL ADDING TITLE 14 "HOUSING" TO THE MORGAN HILL MUNICIPAL CODE INCLUDING CHAPTER 14.04 "INCLUSIONARY HOUSING" THAT MANDATES 15 PERCENT AFFORDABLE HOUSING UNITS FOR NEW RESIDENTIAL DEVELOPMENTS WITHIN THE CITY

RECOMMENDATION(S)

Waive the reading, adopt Ordinance No. 2278, New Series, and declare that said title, which appears on the agenda, shall be determined to have been read by title and further reading waived.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Supporting Our Youth
Seniors
and Entire Community
Enhancing Diversity and Inclusiveness

2018 Strategic Priorities

Regional Initiatives

GUIDING DOCUMENTS

General Plan/Housing Element

REPORT NARRATIVE:

On July 18, 2018, the City Council introduced Ordinance No. 2278 New Series, by the following roll call vote: AYES: Carr, Constantine, Spring, Robinett Jachimowicz, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

The Inclusionary housing policy will require developers to set aside a certain percentage of housing units in newly constructed or rehabilitated projects for income qualified low- and moderate-income buyers/renters. In some cases, a developer may be allowed to pay a fee in-lieu of providing affordable housing onsite, which is used to create affordable units off-site. By creating mixed-income developments, people from different socio-economic backgrounds are given the opportunity to access the same services and amenities, addressing federal fair housing obligations. At least fifteen percent (15%) of all for-sale and rental projects consisting of two (2) or more Dwelling Units shall be Inclusionary Below Market Rate Units that shall be made available at Affordable Rents or Affordable Sales Prices and shall be subject to a recorded deed restriction. For-Sale

and Rental Projects in the Downtown consisting of two (2) or more Dwelling Units will be required to restrict ten percent (10%) of the Dwelling Units for rent at Affordable Rents for Low-Income and Very Low Income and shall be subject to a recorded deed restriction.

Adoption of Ordinance No. 2278 will be a newly created chapter, under Title 14 "Housing" to the Morgan Hill Municipal Code including chapter 14.04, "Inclusionary Housing."

CHAPTER 14.04 "INCLUSIONARY HOUSING"

COMMUNITY ENGAGEMENT: Inform

This report serves to inform the community of the proposed adoption of the Inclusionary Housing Ordinance.

ALTERNATIVE ACTIONS:

The City Council may choose to not adopt the Inclusionary Housing Ordinance at 15%, to recommend a 20% IHO, and/or direct staff to return with alternatives.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

- Beginning in May 2016, several Housing Workshops were held to discuss several elements of the City of Morgan Hill's Housing Program.
- May 2, 2016 City Council BMR Workshop
- June 15, 2016 City Council Meeting adopted a BMR Ordinance regulating administration of the Ownership Program
- June 15, 2016 KMA Housing In-lieu fee workshop with the development community
- June 22, 2016, KMA Housing In-lieu fee discussion with City Council
- November 1, 2016, Second KMA Housing In-lieu fee workshop with the development community
- April 19, 2017 Housing Program workshop with City Council to discuss the 8% annual percentage of affordable units in projects and the RDCS competition
- May 17, 2017 City Institutes a \$12.92 housing in-lieu fee (based on 8% affordability provision), per square foot of livable space of the entire project, effective with the Fiscal Year (FY) 2019-20 Residential Development Control System (RDCS), May 17, 2017
- February 7, 2018 City Council meeting, the Housing Team provided an update to the City's Housing Program and discussed new 2017 housing legislation impacts
- May 2, 2018 City Council meeting to discuss meeting the Housing Accountability Act requirements, Morgan Hill's Regional Housing Needs Allocation (RHNA) housing goals. Additionally, the Council received a KMA report, "Strategy for Increasing the Supply of Affordable Housing"

FISCAL AND RESOURCE IMPACT:

There is no fiscal impact associated with this report.

CEQA (California Environmental Quality Act):

Adoption of this Ordinance has been assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the environmental regulations of the City. Specifically, adoption of the Ordinance is consistent with and implements several policies and programs reviewed in the Morgan Hill 2035 Environmental Impact Report (EIR) for the General Plan Update, which was certified and adopted on July 27, 2016 by Council Resolution No 16-128. No additional environmental analysis is warranted at this time. All future discretionary development that may be impacted by the proposed Ordinance will be subject to a project-specific CEQA analysis as part of the required planning entitlement review (e.g. Rezoning, Site and Architectural Review, Subdivision, etc.) to determine if there are any environmental impacts.

LINKS/ATTACHMENTS:

1. 2278 Inclusionary Housing Ordinance

ORDINANCE NO. 2278 NEW SERIES

AN ORDINANCE OF THE CITY OF MORGAN HILL ADDING TITLE 14 “HOUSING” TO THE MORGAN HILL MUNICIPAL CODE INCLUDING CHAPTER 14.04 “INCLUSIONARY HOUSING” THAT MANDATES 15 PERCENT AFFORDABLE HOUSING UNITS FOR NEW RESIDENTIAL DEVELOPMENTS WITHIN THE CITY

WHEREAS, the Morgan Hill City Council desires to adopt a Citywide Inclusionary Housing Program to enhance the public welfare by establishing policies that require the development of housing affordable to households of very low-, low-, and moderate-incomes, enable the City to meet its share of regional housing needs, and implement the City’s Housing Element goals and objectives; and

WHEREAS, a Citywide Inclusionary Housing Program will assist in alleviating the lack of available residential land for affordable housing because market-rate development will be required to contribute to the provision of housing affordable for all segments of the Morgan Hill community; and

WHEREAS, a Citywide Inclusionary Housing Program will also assist in meeting the demand for housing affordable to very low-, low-, and moderate-income households caused by the service demands of new residents in market-rate residential units; and

WHEREAS, since 1977, the City has amassed one of the largest below market-rate (“BMR”) property portfolios in the State, and has established a BMR Program that provides affordable ownership and rental opportunities to low-income and moderate-income households; and

WHEREAS, the Legislature of the State of California has found that the availability of housing is of critical statewide importance, and that providing housing for all Californians requires the cooperative participation of state and local governments and the private sector; and

WHEREAS, the City intends to establish an Inclusionary Housing Ordinance and affordable housing fees in order to promote this objective, mitigate the impacts of new market-rate housing development on the need for affordable housing, assist in meeting the City's share of the Regional Housing Needs Allocation (RHNA), and assist in implementing the goals, policies and actions specified in the Housing Element of the City’s General Plan; and

WHEREAS, the Housing Element of the City’s General Plan, adopted by the City Council on February 28, 2015, and approved by the Department of Housing and Community Development on April 21, 2015, includes the following housing policies and actions in support of the creation of an Inclusionary Housing Ordinance:

- Policy HE-1c: RDCS Allocations
- Policy HE-1d: Variety of Housing
- Policy HE-1h: Affordable Housing Strategy Implementation
- Policy HE-1i: Flexible Housing
- Policy HE-1j: New Market-Rate Developments

- Policy HE-1l: Incentives for Affordable Developments
- Policy HE-1q: Affordable Housing

WHEREAS, the Legislature recently enacted Assembly Bill 1505, which restores the authority of local governments to impose inclusionary housing requirements on residential rental housing, and the City intends to codify an Inclusionary Housing Program for both ownership and rental housing; and

WHEREAS, the proposed Ordinance requires developers of market-rate for-sale and rental residential projects of two (2) or more units to provide fifteen percent (15%) of the units at affordable rents or affordable sales prices; and

WHEREAS, the City Council adopted Resolution No. 16-018 on February 3, 2016, reaffirming the City of Morgan Hill's commitment to affordable housing; and

WHEREAS, the City Council adopted an ordinance on June 1, 2016 adding Chapter 15.23 Below Market-Rate (BMR) Program Administration to Title 15 (Buildings and Construction) of the Morgan Hill Municipal Code; and

WHEREAS, at its meeting of May 2, 2018, the City Council considered the "Strategy for Increasing the Supply of Affordable Housing" dated March 28, 2018 and prepared by Keyser-Marston Associates, Inc., which included adoption of an Inclusionary Housing Ordinance as one of the recommended strategies.

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES ORDAIN AS FOLLOWS:

SECTION 1. Title 14 is hereby added the Morgan Hill Municipal Code as follows.

TITLE 14 - HOUSING

Chapter 14.04 - INCLUSIONARY HOUSING

- 14.04.010 Findings.**
- 14.04.020 Purpose.**
- 14.04.030 Definitions.**
- 14.04.040 General Requirements.**
- 14.04.050 Time of Performance.**
- 14.04.060 Continued Affordability and City Review of Occupancy.**
- 14.04.070 Alternatives.**
- 14.04.080 Use of In-Lieu Housing Fees.**
- 14.04.090 Waiver of Requirements.**
- 14.04.100 Enforcement.**
- 14.04.110 Monitoring.**

14.04.010 - Findings.

The City Council finds that:

- A. Housing prices and rents in the City of Morgan Hill have increased at a significantly higher rate than general wages. The lack of affordable housing forces many residents to pay a very high percentage of their income for housing or to commute considerable distances, adding to air pollution and traffic congestion throughout Santa Clara County. The lack of affordable housing has made it more difficult to recruit workers, potentially affecting the economic vitality of the City. New housing developments do not provide an adequate supply of housing affordable to Low- and Moderate-Income Households.
- B. Rental and owner-occupied housing in Morgan Hill has become steadily more expensive. Although Morgan Hill has historically met its Regional Housing Needs Allocation goals, in recent years, housing costs have escalated sharply, increasing faster than incomes. As a result, there is a severe shortage of adequate, affordable housing for Extremely Low-, Very Low-, Low-, and Moderate-Income Households.
- C. In order to meet the needs of Morgan Hill households, residential developments will need to provide housing for a variety of household types of a range of incomes and ages. The Inclusionary Housing Ordinance codified in this Title will substantially advance the City's interest in providing additional rental and ownership housing affordable to all income levels and dispersed throughout the City.
- D. Continued new housing development that does not include housing for Low- and Moderate-Income Households will further contribute to the current shortage of affordable housing by reducing the small remaining supply of undeveloped land.
- E. On February 18, 2015, the City Council approved the City's Housing Element, a chapter of the General Plan which includes strategies to build new housing to meet the full range of future community housing needs, including affordable and accessible housing.
- F. Implementation of the Inclusionary Housing Ordinance is a necessary part of the City's efforts to meet its Regional Housing Needs Allocation goals and obligations. Pursuant to the Ordinance, at least fifteen percent (15%) of the units in a new housing development of two (2) or more units will be required to be price or rent-restricted and available for occupancy by Low- and Moderate-Income households. In some circumstances, developers will have an option to provide Inclusionary Units off-site or to pay an in-lieu housing fee.

14.04.020 - Purpose.

The purpose of this Chapter is to further the City's efforts to require housing available to Extremely Low-Income, Very Low-Income, Low-Income and Moderate-Income Households. The Housing Element of the City's General Plan implements the established policy of the State of California that each community should foster an adequate supply of housing for persons at all economic levels.

Providing the Inclusionary Units required by this Chapter will help to ensure that part of Morgan Hill's remaining developable land is used to provide affordable housing to encourage an economically balanced community. Requiring builders of new market-rate housing to include some housing affordable to households at a range of incomes is consistent with the goal of fostering an adequate supply of housing for persons at all income levels, and serves the goal of mixed-income housing.

The Inclusionary Housing Ordinance is required in order to promote and protect the public health, safety, and general welfare while preserving and enhancing economic diversity and inclusiveness within the City.

14.04.030 - Definitions.

When used in this Chapter, the following terms shall have the meaning set forth below:

1. **"Affordable Ownership Cost"** means average monthly housing costs during the first calendar year of a household's occupancy, including mortgage principal and interest payments, mortgage insurance fees, if any, property taxes, reasonable allowances for utilities and property maintenance and repairs, homeowners insurance, and homeowners' association dues that in the aggregate do not exceed thirty five percent (35%) of the applicable income limit for Eligible Households for a particular Inclusionary Unit that is a for-sale unit.
2. **"Affordable Rent"** means a monthly rent and utility allowance that does not exceed the limits as defined in Section 50053 of the California Health and Safety Code, as may be amended from time-to-time.
3. **"Affordable Sales Price"** means a sales price that will result in an Affordable Ownership Cost for an Eligible Household of the applicable income limit for an Inclusionary Unit that is a for-sale unit, and that does not exceed the limits as defined in Section 50052.5 of the California Health and Safety Code, as may be amended from time-to-time.
4. **"Applicant"** means a person or entity who applies for approvals for a Residential Project, and if the applicant does not own the property on which the Residential Project is proposed, also means the owner or owners of the property.
5. **"Area median income" or "AMI"** means the median household income of households in Santa Clara County, adjusted for household size, as determined and published by the California Housing and Community Development Department (HCD).
6. **"Assumed Household Size"** means, for the purpose of establishing Affordable Sales Prices and Affordable Rent, a household with a total number of members equal to the number of bedrooms in the Dwelling Unit, plus one, consistent with Section 50052.5(h) of the California Health and Safety Code and subject to applicable federal rules (if any). For example, the assumed household size for a 3-bedroom home is a 4-person household.

7. **"Building Permit"** means full structural building permits as well as partial permits such as foundation-only permits.
8. **"Certificate of Occupancy"** means that construction is complete and the City Building Official or his or her designee has signed off the "Residential Dwelling Occupancy Approval" on the backside of the City of Morgan Hill Building Permit Card.
9. **"City Manager"** means the City Manager of Morgan Hill or his or her designee.
10. **"Contiguous"** means any parcel of land that is:
 - a. Touching another parcel at any point;
 - b. Separated from another parcel at any point only by a public right-of-way, private street or way, or public or private utility, service, or access easement; or
 - c. Separated from another parcel only by other real property of the Applicant which is not subject to the requirements of this Chapter at the time of the Planning Permit application by the Applicant.
11. **"Density Bonus"** means an increase in the number of units permitted in a proposed residential project provided pursuant to the State Density Bonus Law as set forth in Section 65915 *et seq.* of the California Government Code, as amended.
12. **"Downtown"** means the geographical area as depicted in Figure CNF-2 of the General Plan.
13. **"Dwelling Unit"** means a residential unit consisting of one or more rooms designed, occupied, or intended for occupancy as separate living quarters, with cooking, sleeping, and bathroom facilities.
14. **"Eligible Household"** means a household whose Gross Annual Household Income does not exceed the applicable maximum for a given Inclusionary Unit.
15. **"Extremely Low-Income Household"** means a household with a Gross Annual Household Income that does not exceed 30% of AMI for Santa Clara County. This definition corresponds to the definition of extremely low-income household used for state- and federally-assisted housing programs. Extremely Low-Income Households are a subset of Very Low-Income Households.
16. **"First Approval"** means the first of the following approvals to be issued with respect to a Residential Project: building permit, planned development permit, tentative parcel map, tentative subdivision map, conditional use permit, site and architectural review permit, or other discretionary City land use approval.
17. **"For-sale project"** means a Residential Project, or portion thereof, that is intended to be sold to owner-occupants upon completion.

18. **"Gross Annual Household Income"** means the combined adjusted gross (pre-tax) income of all adult persons in a household who is an Applicant for an Inclusionary Unit, or who are residing in an Inclusionary Unit, as calculated pursuant to the Section 8 Program under the United States Housing Act of 1937, as amended, or its successor.
19. **"Inclusionary Affordable Housing Agreement"** means an agreement between the City and an Applicant, governing how the Applicant will comply with this Chapter.
20. **"Inclusionary Unit"** means a Dwelling Unit that pursuant to this Chapter is required to be rented at an Affordable Rent or sold at an Affordable Sales Price to Extremely Low-, Very Low-, Low-, or Moderate-Income Households as applicable.
21. **"In-Lieu Fee"** means the fee payable pursuant to this Chapter as an alternative to the construction of on-site Inclusionary Units.
22. **"Low-Income Household"** means a household with a Gross Annual Household Income between 51% and 80% of AMI for Santa Clara County. This definition corresponds to the definition of lower income household used for state- and federally-assisted housing programs.
23. **"Market-Rate Unit"** means a Dwelling Unit offered on the open market at the prevailing market-rate for purchase or rental.
24. **"Moderate-Income Household"** means a household with a Gross Annual Household Income between 81% and 120% of AMI for Santa Clara County. This definition corresponds to the definition of moderate-income household for state-assisted housing programs.
25. **"Regional Housing Need Allocation" (RHNA)** means the State of California mandated process that identifies the total number of housing units by affordability level that each jurisdiction must accommodate in its Housing Element.
26. **"Rental Project"** means a Residential Project, or portion thereof, that is intended to be rented to tenants upon completion.
27. **"Residential Project"** means a project undertaken for the purpose of development of land for residential purposes that requires the issuance of a discretionary or ministerial approval or permit, including a permit for construction, and that will include two (2) or more Dwelling Units. "Residential Project" also includes developments on Contiguous lots for which applications are filed by the same property owner or Applicant and that will include two (2) or more Dwelling Units.
28. **"Very Low-Income Household"** means a household with a Gross Annual Household Income that does not exceed 50% of AMI for Santa Clara County. This definition corresponds to the definition of very low-income household used for state- and federally-

assisted housing programs. Very Low-Income Households are a subset of Low-Income Households.

14.04.040 - General Requirements.

- A. Percentage Requirement. Except as provided in paragraphs B and D of this Section, at least fifteen percent (15%) of all units in Residential Projects shall be Inclusionary Units that shall be made available at Affordable Rents or Affordable Sales Prices as prescribed in this Section. The Inclusionary Units shall be approved, and construction of the Inclusionary Units shall be completed not later than the times prescribed in Section 14.04.050 of this Chapter, unless an alternative requirement is approved pursuant to Section 14.04.070 of this Chapter.

Whenever application of the requirements of this Chapter results in a fractional number of required Inclusionary Units, if the fraction is 0.50 or greater, construction of the next higher whole number of Inclusionary Units shall be required, and where the fraction is 0.49 or less, payment of the applicable housing fee adopted by City Council shall be required for the fractional unit.

- B. For-Sale Projects in Downtown. All new for-sale Residential Projects consisting of two (2) or more Dwelling Units located within Downtown are required to restrict ten percent (10%) of the Dwelling Units for sale at Affordable Sales Prices to Moderate-Income Households. Such Dwelling Units must be sold to Eligible Households, and shall be subject to a recorded deed restriction that will impose resale price restrictions for a period of forty-five (45) years.
- C. For-Sale Projects Outside of Downtown. All new for-sale Residential Projects consisting of two (2) or more Dwelling Units located within the City but outside of Downtown are required to restrict fifteen percent (15%) of the Dwelling Units for sale at Affordable Sales Prices to Moderate-Income Households. Such Dwelling Units must be sold to Eligible Households, and shall be subject to a recorded deed restriction that will impose resale price restrictions for a period of forty-five (45) years.
- D. Rental Projects in Downtown. All new rental Residential Projects consisting of two (2) or more Dwelling Units located within Downtown are required to restrict ten percent (10%) of the Dwelling Units for rent at Affordable Rents and occupancy by Low-Income and Very Low-Income Households. Such Dwelling Units must be occupied by, or if vacant, available for occupancy by Eligible Households, and such restrictions shall be documented in a recorded Inclusionary Affordable Housing Agreement with a term of fifty-five (55) years. At least one-half of the required Inclusionary Units shall be offered at Affordable Rents exclusively to Very Low-Income Households.
- E. Rental Projects Outside of Downtown. All new rental Residential Projects consisting of two (2) or more Dwelling Units located within the City but outside of Downtown are required to restrict fifteen percent (15%) of the Dwelling Units for rent at Affordable Rents and occupancy by Low-Income and Very Low-Income Households. Such Dwelling Units must be occupied by, or if vacant, available for occupancy by Eligible Households, and such restrictions shall be documented in a recorded Inclusionary Affordable Housing Agreement with a term of fifty-five (55) years. At least one-half of the required Inclusionary Units shall be offered at Affordable Rents exclusively to Very Low-Income Households.

- F. Location and Design of Inclusionary Units. All Inclusionary Units shall be reasonably dispersed throughout the Residential Project, and shall be comparable to the design of the market-rate units in the Residential Project in terms of distribution of model types, number of bedrooms, appearance, materials and quality of finishes. There shall not be significant identifiable differences between Inclusionary Units and market-rate dwelling units that are visible from the exterior of the dwelling units, and the size and design of the dwelling units shall be reasonably consistent with the market-rate units in the development. Occupants of Inclusionary Units shall be provided the same access to project amenities, recreational facilities, and common areas as occupants of market-rate units.
- G. For-sale Projects. Inclusionary Units that will be offered for sale shall be sold for owner-occupancy at an Affordable Sales Price to Moderate-Income Households that qualify as Eligible Households.
- H. Rental projects. The Inclusionary Units that are constructed in market-rate Rental Projects shall be offered for rent to Eligible Households at Affordable Rents to Low- and Very Low-Income Households. At least one-half of the required Inclusionary Units in Rental Projects, shall be offered at Affordable Rents exclusively to Very Low-Income Households.
- I. Exceptions. The affordability levels required for a Residential Project may be modified by written agreement between the City and the Applicant upon a finding that such modification is necessary to effectively achieve the City's RHNA goals in the then-current housing element cycle.

14.04.050 - Time of performance.

- A. An application for First Approval of a Residential Project will not be deemed complete until the Applicant has submitted plans and proposals that demonstrate how the Applicant proposes to meet requirements of this Chapter, including any plans for the construction of on-site units pursuant to Section 14.04.040 of this Chapter or the Applicant's proposal for an alternative means of compliance pursuant to Section 14.04.070, of this Chapter.
- B. Conditions to carry out the purposes of this Chapter shall be imposed on the First Approval for a Residential Project. Additional conditions may be imposed on later City approvals or actions, including without limitation planned development permits, tentative parcel maps, tentative subdivision maps, conditional use permits, site and architectural review permits, or building permits. The conditions of approval included with the First Approval of the Residential Project shall further provide that prior to the recordation of the parcel map or final map in the case of subdivisions and/or prior to the issuance of building permits in the case of all other land use permits to which this Chapter applies, the Applicant shall enter into an Inclusionary Affordable Housing Agreement prepared by the City Attorney and approved by the City Manager that contains specific requirements implementing the conditions of approval including, but not limited to, as applicable, the number of Inclusionary Units, the level(s) of affordability, the location and type of Inclusionary Units, timing of construction of Inclusionary Units in relation to the construction of the Market-Rate units contained in the development, marketing and selection of tenants and homebuyers, and the amount of the In-Lieu Fee, if any. The Inclusionary Affordable Housing Agreement may be amended by the

parties, provided the amendment is consistent with the condition of approval imposed as part of the First Approval and the then-existing City approvals. If such proposed amendment is minor or technical in nature, the City Manager shall have authority to approve or disapprove the amendment on behalf of the City. If such proposed amendment makes a substantive or material change to the Inclusionary Affordable Housing Agreement, such amendment shall be effective only following notice and hearing and such other procedures as may be required by law, and approval by the City department that issued the First Approval for the project.

- C. No building permit shall be issued for any Market-Rate unit until the Applicant has obtained permits for Inclusionary Units sufficient to meet the requirements of Section 14.04.040 of this Chapter, or received approval of an alternative requirement under Section 14.04.070 of this Chapter. No final inspection for occupancy for any Market-Rate unit shall be completed until the Applicant has constructed the Inclusionary Units required by Section 14.04.040 of this Chapter, or completed corresponding alternative performance under Section 14.04.070 of this Chapter. The time requirements set forth in this subsection for issuance of building permits for Market-Rate units and for final inspections for occupancy for Market-Rate units may be modified to accommodate phasing schedules, model variations, or other factors in a Residential Project, if the City determines this will provide greater public benefit.

14.04.060 - Continued affordability and City review of occupancy.

- A. Term of affordability—For-sale projects. A resale restriction, covenant, deed of trust and/or other documents in form prepared by the City Attorney, shall be recorded against each Inclusionary Unit that is a for-sale unit. These documents shall have an initial term of forty-five (45) years, and shall be renewed upon each change of title to the Inclusionary Unit. The resale restriction, or other documents required by this subsection, and any change in the form of any such documents, shall be approved by the City Manager or his or her designee prior to execution and recordation of such document. The City shall be a party to the resale restriction or other documents required by this subsection and shall have the right to enforce the covenants and restrictions contained therein.
- B. Term of affordability—Rental projects. A regulatory agreement, covenant, deed of trust, and/or other documents prepared by the City Attorney, shall be recorded against each Residential Project that contains Inclusionary Units that are rental units. These documents shall have a term of fifty-five (55) years. The regulatory agreement and other documents required by this subsection, shall run with the land and shall not be affected by the sale of the property or units in the project. The regulatory agreement and other documents required by this subsection, and any modification to such document, shall be approved by the City Manager or his or her designee and approved as to form by the City Attorney, prior to execution and recordation of such document. The City shall be a party to the regulatory agreement or other documents required by this subsection and shall have the right to enforce the covenants and restrictions contained therein.
- C. Eligibility requirements. No household shall be permitted to begin occupancy of an Inclusionary Unit unless the City or its designated administrator as referenced in the Below Market-Rate (BMR) Program Administration Ordinance 2204, Chapter 15.23, Section 15.23.040, Duties of Program Administrator, has approved the household's eligibility. If the

City or its designee maintains a list of, or otherwise identifies, eligible households, initial and subsequent occupants of Inclusionary Units shall be selected first from the list of identified households, to the maximum extent possible, in accordance with rules approved by the City Manager or his or her designee.

- D. Below Market-Rate (BMR) Program Administration. Ordinance No. 2204, Chapter 15.23 of Title 15 of the Morgan Hill Municipal Code, is hereby incorporated, including but not limited to, Section 15.23.010 Purpose, 15.23.020 Definitions, 15.23.030 Applicability, 15.23.040 Duties of Program Administrator, 15.23.050 Occupancy and Sale Restrictions, 15.23.060 Affordable Housing Agreement, 15.23.070 Approved Program Participants and Vendors, 15.23.080 Default, Foreclosure, Loss of Units, 15.23.090 Annual Report, and 15.23.095 Enforcement.

14.04.070 - Alternatives.

In lieu of building Inclusionary Units within a Residential Project, an Applicant may propose to satisfy the requirements of this Chapter by one of the following alternative modes of compliance, provided that the Applicant includes such proposal in its application for the First Approval of the Residential Project, and further provided that the criteria stated in the relevant subsection below are satisfied.

- A. Rental units in for-sale projects. Where owner-occupied Inclusionary Units are required by Section 14.04.040 of this Chapter, an Applicant may instead elect to construct as part of the Residential Project the same or a greater number of rental units, affordable to Extremely Low-, Very Low-, Low- and Moderate-Income Households in the proportions and at the rents as prescribed in Section 14.04.030 of this Chapter. Substitution of rental units shall be allowed under this subsection only if either: (1) the rental units are at least equal in number of bedrooms to the owner-occupancy units that would have been allowed, or (2) any comparative deficiency in the number of bedrooms is compensated for by additional units and/or affordability to households with lower incomes.
- B. Off-site construction. An Applicant may propose to construct, or make possible construction by another developer, units that will not be physically contiguous to the market-rate units (or units that are physically contiguous to the market-rate units if the City determines this will provide greater public benefit). Off-site construction pursuant to this subsection shall be approved only if:
 1. An Inclusionary Affordable Housing Agreement acceptable to the City Manager or his or her designee that requires an equal or greater number of Inclusionary Units as required under Section 14.04.040 of this Chapter is recorded;
 2. Approval has been secured for the off-site units not later than the time the Residential Project is approved, and completion of the off-site units is secured by a requirement that Certificates of Occupancy for the related Market-Rate units will be issued after Certificates of Occupancy have been issued for the Inclusionary Units, provided that the time requirements set forth in this subsection for final inspections for occupancy for Market-Rate units may be modified to accommodate

phasing schedules, model variations, financing requirements, or other factors, if the City determines this will provide greater public benefit;

3. The off-site units will be greater in number, larger, or will be affordable to households with lower incomes than would otherwise be required by Section 14.04.040 of this Chapter;
 4. Financing or a viable financing plan is in place for the off-site units;
 5. If the off-site units receive any public assistance, the developer of the market-rate project will contribute economic value to the off-site units equivalent to the cost that would have been incurred to provide the required number of Inclusionary Units on-site in the Residential Project; and
 6. The City may require that completion of off-site units shall be further secured by the developer's agreement to pay an In-Lieu Fee in the amount approved by City Council in the event the off-site units are not timely completed.
- C. Land dedication. An Applicant may propose to dedicate without cost to the City, a lot or lots within or contiguous to the Residential Project, sufficient to accommodate at least the required Inclusionary Units for the Residential Project. An election to dedicate land in lieu of compliance with other provisions of this Chapter shall be allowed only if:
1. The value of the lot or lots to be dedicated is sufficient to make development of the otherwise required Inclusionary Units economically feasible, and financing or a viable financing plan is in place for at least the required number of Inclusionary Units; and
 2. The lot or lots are zoned for and suitable for construction of affordable housing at a feasible cost, served by utilities, streets and other infrastructure; there are no hazardous materials present or other material constraints on development of affordable housing on the lot or lots; and land use approvals have been obtained as necessary for the development of the Inclusionary Units on the lot or lots.
- D. In-lieu housing fee. For Residential Projects for which a Residential Detached Low General Plan Land Use designation (allowing up to four (4) dwelling units per acre) (10,890 sf lots) applies; for Residential Projects of four Dwelling Units or less; and as provided in Section 14.04.040A, whenever application of the requirements of this Chapter results in a fractional number of required Inclusionary Units, where the fraction is 0.49 or less; the Applicant may elect to pay an In-Lieu Fee, instead of developing the Inclusionary Units required in Section 14.04.040 of this Chapter, pursuant to the requirements set forth below in this subsection.
1. The initial In-Lieu Fee schedule shall be set by City Council resolution or other action of the City Council so that the fee amounts are not greater than the difference between: (a) the amount of a conventional permanent loan that an Inclusionary Unit would support based on the Affordable Rent or Affordable Sales Price for the

Inclusionary Unit; and (b) the estimated total development cost of a prototypical Inclusionary Unit.

2. The City Council may annually review the fees authorized by this subsection by resolution, and may, based on that review, adjust the fee amount. For any annual period during which the City Council does not review the fee authorized by this subsection, fee amounts shall be adjusted once by the City Manager or his or her designee based on the construction cost index.
3. In-Lieu Fees shall be calculated based on the fee schedule in effect at the time the fee is paid. In-Lieu Fees shall be paid prior to issuance of building permits for Market-Rate units in a Residential Project. If building permits are issued for only part of a Residential Project, the fee amount shall be based only on the number of units then permitted. Where payment is delayed, in the event of default or for any other reason, the amount of the In-Lieu Fee payable under this subsection shall be based upon the fee schedule in effect at the time the fee is paid.

14.04.080 - Use of in-lieu fees.

- A. All In-Lieu Fees collected pursuant to this Chapter shall be deposited into a separate account to be designated as the City of Morgan Hill Housing In-Lieu Fee Fund.
- B. The In-Lieu Fees collected pursuant to this Chapter, and all earnings from investment of such fees, shall be expended exclusively to provide or assure continued provision of affordable housing in the City through acquisition, construction, development assistance, rehabilitation, financing, rent subsidies, or other methods, and for costs of administering programs that serve those ends. The housing assisted with such funds shall be of a type, or at an affordability level, for which there is a need in the City and that is not adequately supplied by private development

14.04.090 - Waiver of requirements.

Notwithstanding any other provision of this Chapter, the requirements of this Chapter shall be waived, adjusted, or reduced if the Applicant demonstrates that applying the requirements of this Chapter would take property in violation of the constitutions of the United States or the State of California or would otherwise result in an unconstitutional application of this Chapter. To receive a waiver, adjustment or reduction under this Section, the Applicant must file a written request together with the development application(s) when applying for a First Approval for the Residential Project, and/or as part of any appeal that the City provides as part of the process for the First Approval. The written request shall provide substantial evidence showing that applying the requirements of this Chapter would take property in violation of the constitutions of the United States or the State of California or would otherwise result in an unconstitutional application of this Chapter. The City may assume that: (a) the Applicant will provide the most economical Inclusionary Units feasible meeting the requirements of this Chapter; and (b) the Applicant is likely to obtain housing subsidies when such funds are reasonably available. The waiver, adjustment, or reduction may be approved only to the extent necessary to avoid an unconstitutional result, after adoption of written findings, based on substantial evidence, supporting the determinations required by this Section.

14.04.100 - Enforcement.

- A. The City Council may adopt guidelines, by resolution, to assist in the implementation and administration of all aspects of this Chapter.
- B. The City shall be authorized to enforce the provisions of this Chapter and all Inclusionary Affordable Housing Agreements, regulatory agreements, covenants, resale restrictions, promissory notes, deed of trust, and other requirements placed on Inclusionary Units by civil action and any other proceeding or method permitted by law.
- C. Failure of any official or agency to fulfill the requirements of this Chapter shall not excuse any Applicant or owner from the requirements of this Chapter.
- D. The remedies provided for in this Chapter shall be cumulative and not exclusive, and shall not preclude the City from any other remedy or relief to which it otherwise would be entitled under law or equity.
- E. The City shall evaluate the effectiveness of the Ordinance codified in this Title, for review by the City Council, five (5) years after the operative date of this Title.
- F. No permit, license, map, or other approval or entitlement for a Residential Project shall be issued, including without limitation a final inspection or Certificate of Occupancy, until all applicable requirements of this Chapter have been satisfied.

14.04.110 - Monitoring.

The Inclusionary Housing Guidelines adopted or to be adopted by the City, and each Inclusionary Affordable Housing Agreement shall include provisions for monitoring by the City of each Residential Project and each Inclusionary Unit for compliance with the terms of this Chapter, the Inclusionary Housing Guidelines, and the applicable Inclusionary Affordable Housing Agreements. The City and/or its designated administrator shall also monitor and submit compliance reports to governmental agencies as required by law. Such provisions shall require property owners to submit annual compliance reports to the City and/or its administrator, and shall authorize the City or its administrator to conduct periodic on-site inspections and audits to ensure compliance with all applicable laws, policies, and agreements. The City Council may adopt fees to cover the City's costs of monitoring and compliance. Such fees shall be payable by the property owner and shall be deposited into the City's Housing In-Lieu Fee Fund.

14.04.120 - On-Site Inclusionary Housing Incentives.

- A. The developer of a Residential Project providing all required Inclusionary Units on the same site as the Market-Rate units may, at the developer's option and concurrently with the submittal of the Affordable Housing Plan and the earlier of the zoning or Planning Permit application, submit a written request for one or more of the following on-site inclusionary housing development incentives:

1. Density Bonus. The Residential Project may receive a density bonus if the Residential Project includes affordable units in accordance with the threshold requirements for density bonus pursuant to California Government Code Section 65915 *et seq.* For Residential Projects qualifying for a density bonus pursuant to this subsection, the City shall, upon request of the Applicant at the time of application for the First Approval, authorize a density bonus in the amount specified in California Government Code Section 65915 *et seq.* unless such a density bonus would cause an adverse impact to the public health, safety and welfare, including but not limited to historic or natural resources, or the environment. The City shall not provide any other incentives or concessions, other than those listed in this Section 14.04.120, in addition to such density bonus unless otherwise required by law.

2. Reduction in Minimum Setback Requirements. The Developer may request a reduction in the minimum setback requirements for the Residential Project, provided such reduction will not cause an adverse impact to the public health, safety and welfare, including but not limited to historic or natural resources, or the environment.

3. Alternative Unit Type. The Developer may request to provide Inclusionary Units that are of a different unit type than the Market-Rate units to be constructed within the Residential Project; provided however, the Inclusionary Units shall have the same bedroom count in the same percentage distribution as the Market-Rate units.

4. Alternative Interior Design Standards. The Developer shall provide the same amenities within the Inclusionary Units as provided in the Market-Rate units, but may request to provide different but functionally equivalent amenities for the Inclusionary Units; provided however, residents of Inclusionary Units shall have access to all common areas of the Residential Project equal to the access provided to residents of Market-Rate units.

SECTION 2. The Development Standards considered and adopted by Resolution of the City Council of the City of Morgan Hill at its regular meeting of July 18, 2018, as such Development Standards may be amended, are hereby incorporated by this reference.

SECTION 3. Adoption of this Ordinance has been assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the environmental regulations of the City; specifically, adoption of the Ordinance is consistent with and implements several policies and programs reviewed in the Morgan Hill 2035 Environmental Impact Report (EIR) for the General Plan Update, which was certified and adopted on July 27, 2016 by Council Resolution No 16-128. No additional environmental analysis is warranted at this time. All future discretionary development that may be impacted by the Ordinance will be subject to a project-specific CEQA analysis as part of the required planning entitlement review (e.g. Rezoning, Site and Architectural Review, Subdivision, etc.) to determine if there are any environmental impacts.

SECTION 4. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 5. Effective Date; Publication. This Ordinance shall take effect thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

THE FOREGOING ORDINANCE WAS INTRODUCED AT A REGULAR MEETING OF THE CITY COUNCIL HELD ON THE 18TH DAY OF JULY 2018 AND WAS FINALLY ADOPTED AT A REGULAR MEETING OF THE CITY COUNCIL HELD ON THE 25TH DAY OF JULY 2018 AND SAID ORDINANCE WAS DULY PASSED AND ADOPTED IN ACCORDANCE WITH LAW BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

APPROVED:

STEVE TATE, Mayor

ATTEST:

DATE:

IRMA TORREZ, City Clerk

Effective Date: August 25, 2018

⌘ **CERTIFICATE OF THE CITY CLERK** ⌘

I, **IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA**, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 2278, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 25th day of July 2018.

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

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: July 25, 2018

PREPARED BY: Chris Ghione, Community Services Director

APPROVED BY: City Manager

LEADERSHIP MORGAN HILL UTILITY BOX ART PROPOSAL

RECOMMENDATION(S)

1. Approve the Leadership Morgan Hill Class of 2018 public art proposals for artwork at ten utility box locations; and
2. Authorize the City Manager to enter into and administer necessary agreements to complete the project.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Supporting Our Youth

Seniors

and Entire Community

Enhancing Diversity and Inclusiveness

POLICY CONSIDERATIONS:

Ten City owned utility box locations are proposed to be painted by artists through a project by the Leadership Morgan Hill Class of 2018. Utility box art programs have successfully been implemented in other communities. As the City Council reviews this item, they may wish to consider the following policy questions.

1. Should all proposed utility box artwork be approved for the locations specified?
2. Are there any changes or direction for individual artists in addition to those provided by the Library, Culture and Arts Commission?

REPORT NARRATIVE:

The 2018 Class of Leadership Morgan Hill has reached out to the City looking to coordinate their annual class project. The Class has proposed to fundraise for and coordinate the painting of ten utility box locations throughout the City. The project is subject to the City policies on public art installation. The final proposal for the artwork has been reviewed by the Library, Culture, and Arts Commission and now must be approved by the City Council.

The Commission and Council have previously approved the project concept, utility box locations, and inspirational quotes for the project. The inspirational quotes are used in conjunction with the artwork on each of the utility boxes and outlined in Attachment 1. The Leadership Class has selected artists for each of the ten locations. Each piece of artwork would need to be approved by the City Council. It is understood that the artwork proposals will likely need to be adjusted slightly when implemented on the utility boxes

of various sizes. Each box will also be coated with anti-graffiti coating and include a small plaque attached to the box recognizing Leadership Morgan Hill, the artist, and the sponsor of the box.

The Library, Culture, and Arts Commission reviewed the art proposals on July 17, 2018. The Commission has recommended approval of the artwork with specific considerations outlined in Attachment 1. City staff support the Commission recommendations and the Leadership Morgan Hill Class is also supportive of the changes. The Commission was split (2-2) on recommending changes to proposed utility box number 2. The options are to leave the artwork as four individual panels, as proposed by the artist, or convert the artwork to a form that wraps the box. The Leadership Class prefers the art stay as proposed. Should Council approve the recommended action without specific direction on this specific issue the artwork would stay as proposed.

COMMUNITY ENGAGEMENT: Empower

The project was brought forward by community members enrolled in Leadership Morgan Hill (Class) and will be implemented by these community members. City staff has discussed with the Class that outreach should occur with businesses and schools that are near each of the boxes, and specifically Downtown businesses for the boxes on Monterey Road.

ALTERNATIVE ACTIONS:

The City Council could choose to not approve the project, provide for direction on changes to individual pieces of artwork, provide other alternate direction to staff, the Commission and the Class.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On April 18, 2018 the City Council approved the project concept and the words of encouragement for the ten proposed utility boxes. The Library, Culture and Arts Commission reviewed the proposed artwork on July 17, 2018.

The City has worked with Leadership Morgan Hill on various class projects, including public art, over the last two decades. The most recent art project created by Leadership Morgan Hill is the photo collage artwork located in the back of the Council Chambers.

FISCAL AND RESOURCE IMPACT:

The funding of the project will be the responsibility of the Class and the City does not anticipate any direct costs from the project. The Class plans to provide an additional \$1,500 to the City of Morgan Hill for future maintenance or removal of murals once they have reached their end of life. The implementation of a utility box art program is in the approved Library, Culture and Arts Commission Work Plan, with planned support from Community Services Department staff.

CEQA (California Environmental Quality Act):

Categorical Exemption

The planned maintenance and management of city facilities falls within the CEQA categorical exemption of Class 1, Existing Facilities.

LINKS/ATTACHMENTS:

1. Attachment 1 Art Proposals and Commission Recommendations

Attachment 1 Individual Utility Box Proposals and Commission Recommendations

1. Artist: Patty Curtis Words of Encouragement: Inspire Others
Location: Monterey Road and Fourth Street
LCAC Recommendation: Approve as submitted
2. Artist: Lina Velasquez Words of Encouragement: Courage does not always roar
Location: Monterey Road and Main Avenue
LCAC Recommendation: LCAC recommends approval of the concept. Commissioners were split on leaving the proposal as is requesting the box be updated into a wrap where the lion has a body developed and wrapped around the concept.
3. Artist: Lina Velasquez Words of Encouragement: Welcome Home!
Location: Butterfield and Main Avenue
LCAC Recommendation: Approve with changes. Bike sculpture with downtown elements. Tarantula to look exactly like tarantula sculpture.
4. Artist: Jan Griffiths Words of Encouragement: Let nature sing
Location: Hill Road and Dunne Avenue
LCAC Recommendation: Approve as submitted
5. Artist: Shawna Gonzales Words of Encouragement: Love Everyone
Location: Butterfield and Main Avenue
LCAC Recommendation: Approve concept. The Commission was a bit worried about not having full color in the submittal and requested portfolio pictures to demonstrate artist ability. The Commission was willing to trust the artist and leadership class to complete the project appropriately. The Commission recommends making additions to be inclusive of all ethnicities.
6. Artist: Teresa Anguiano Words of Encouragement: Never Give Up Nothing is Impossible
Location: Dunne Avenue and Peppertree Drive (southeast side of Road)
LCAC Recommendation: Approve as submitted. The Commission supported final selection of this artwork.
7. Artist: Teresa Anguiano Words of Encouragement: Kindness First. Words Matter.
Location: Dunne Avenue and Peppertree Drive (northwest side of Road)
LCAC Recommendation: Approve as submitted. The Commission supported final selection of this artwork.
8. Artist: Vanessa Davidson Words of Encouragement: Be your own hero
Location: Railroad Park (Two boxes)
LCAC Recommendation: Approve concept with some recommended changes. The Commission are recommending moving one superhero to each utility box and allowing the artist to add superhero animals to the boxes (this is in conjunction with the animal theme in the park mural as well as potential sponsor for the boxes).
9. Artist: Pam Mossing Words of Encouragement: Never Stop Learning
Location: Tennant Avenue and Vineyard Avenue
LCAC Recommendation: Approve as submitted. The Commission worked with the Leadership class to finalize the selection of this artwork.
10. Artist: Noah Chin Words of Encouragement: What you think, you become
Location: Hale Avenue and Llagas Road
LCAC Recommendation: Approve as submitted.



Class of 2018

Art and Inspiration—Leadership Morgan Hill Class of 2018

The Ten Selected Boxes

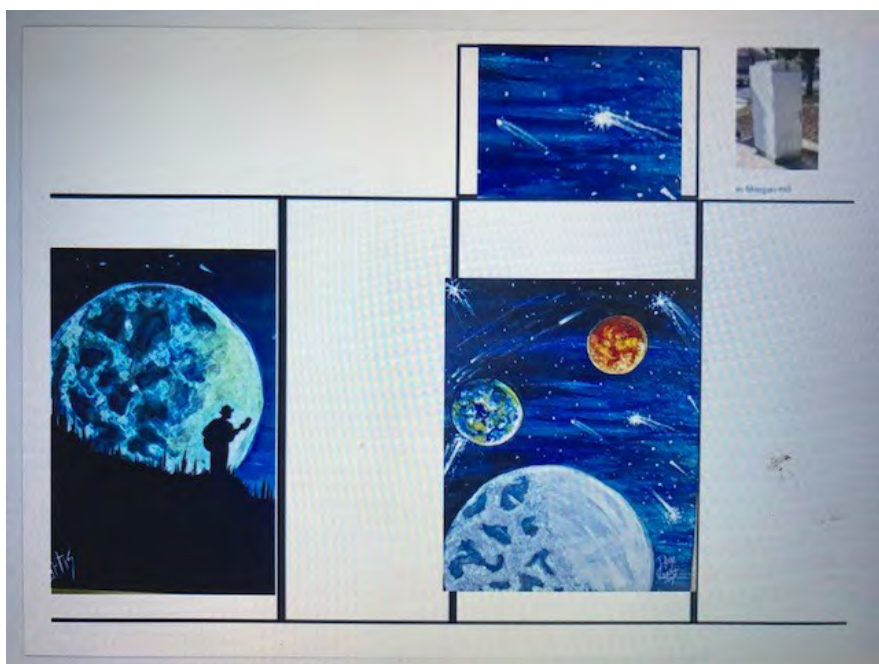


July 17, 2018



1. Inspire Others

- Monterey and 4th (near the Methodist Church)
- Artist Patty Curtis: (Early 2000, ran my own ArtSchool "Clubhouse" in MH. Art teacher PA Walsh the last 4 years, Art teacher at Morgan Hill ArtSchool. Winner of 'Wine Stroll Poster contest' last year', 3rd place winner Garlic Festival poster Con-test. Wine & Paint Party Teacher (2014-present). Singer in Fast Lane Band for 20 years. Designed posters for Downtown Association 2004-2013.
- Artist's description: Music, the universal language: The world is brought together by the arts. Inspire others to discover their inner artist... If you want something bad enough it can be yours. The sky is the limit.



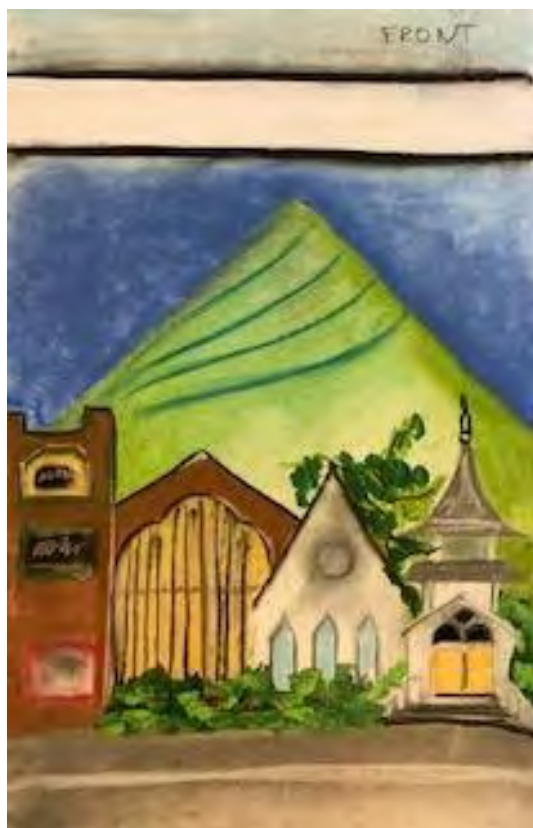
2. Courage does not always roar

- Monterey St. / Main Street
- Artist Lina Velasquez
- {LMH interpretation—courage, represented by the king of the jungle can be gentle (can ask her to wrap the picture of the lion all around the box). The giraffe denotes gentleness even though a big and tall animal. Picture to be proportionate to the box dimensions. }



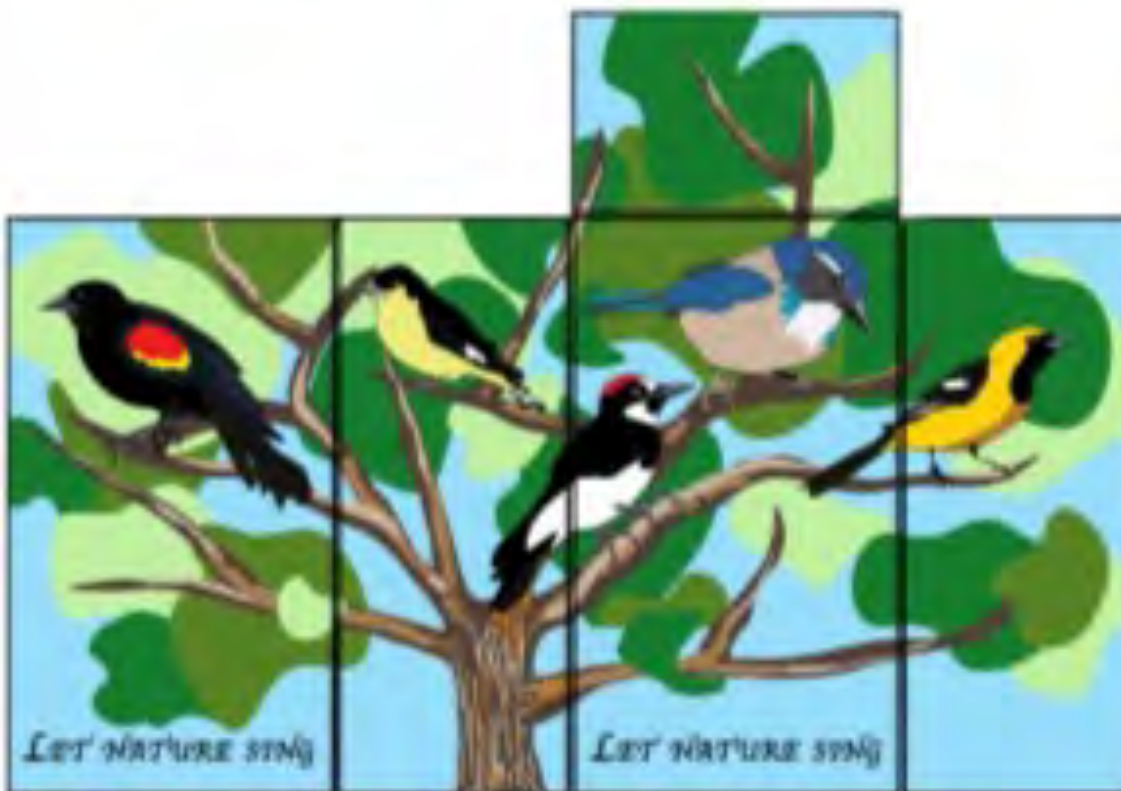
3. Welcome Home!

- Butterfield and Main (near Intero)
- Artist Lina Velasquez
- Info on art on next page—Pictures will be proportionate to the box dimensions and more realistic. The bike sculpture will be moved to side showing downtown.



4. Let nature sing

- Hill and Dunne (Fire station)
- Artist Jann Griffiths (Birds and tree to be a lot more detailed. Box designed to be proportionate to dimensions.)
- Website: <http://www.jrgriffiths.com/>



Proposed Design Template for Second Box (If Necessary)

Actual utility boxes vary in size, shape and have various vents, seams, doors, and handles. Be prepared to adjust art work to fit a unique utility box.

(Required to include EROEPT, Mendenhall & Main, and Green of the River)

TOP



Design is the same as first box with possible substitution of several birds.

BACK

SIDE

FRONT

SIDE

5. Love Everyone

- Main and Calle Mazatan (El Toro Elem)
- Artist Shawna Gonzales (See portfolio)
- Box designed to be proportionate to dimensions.)



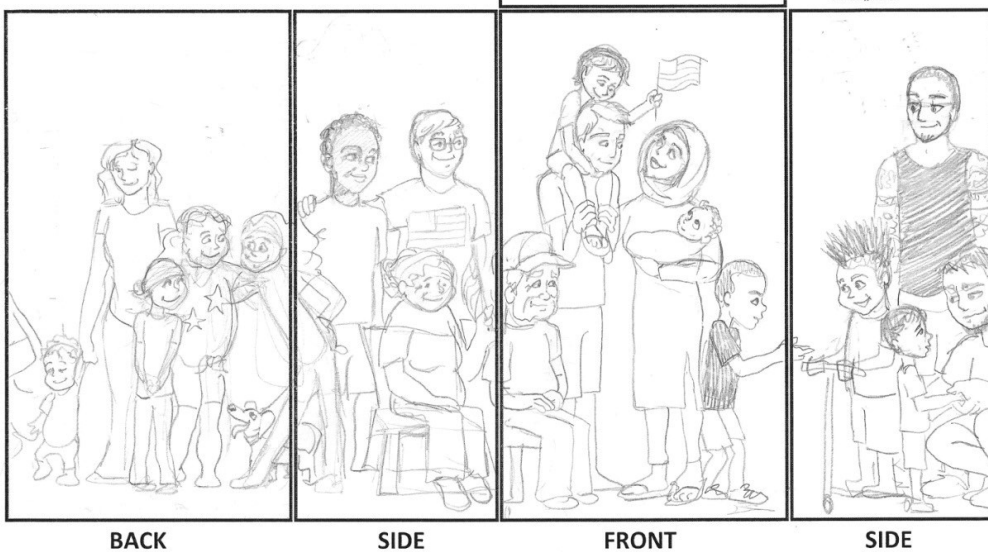
Proposed Design Template

Actual utility boxes vary in size, shape and have various vents, seams, doors, and handles. Be prepared to adjust art work to fit a unique utility box.

TOP



Example of Main Box in Morgan Hill



BACK

SIDE

FRONT

SIDE

Shawna Gonzales' Portfolio



6. Never give up. Nothing is impossible.

- Dunne and Peppertree (near Marbella Ct)
- Artist Teresa Anguiano
- A young family attempting to climb El Toro on a sunny day. Will be greatly detailed on the box. Artist will use a photograph of El Toro to make a stencil for the artwork.

Design 1



7. Kindness first. Words matter.

- Dunne and Peppertree (single traffic box near Nordstrom)
- Artist Teresa Anguiano
- The picture will be in great detail. Morgan Hill elements added (mushrooms)

Design 1



8. Be your own hero

- Inside the Railroad Park
- Artist Vanessa Davidson (see artist portfolio)
- A playful comic style painting. Bright colours and a scene that inspires strength and confidence.
- This will be changed: the dark silhouettes to be changed on the two identical boxes—one showing the female hero with colourful clothes in front, the other showing the male hero. Instead of the side with large letters, there will be pictures of a dog and a cat dressed as a superhero (to appeal to kids and also showcasing the sponsor—a vet clinic. (see artist portfolio pictures)



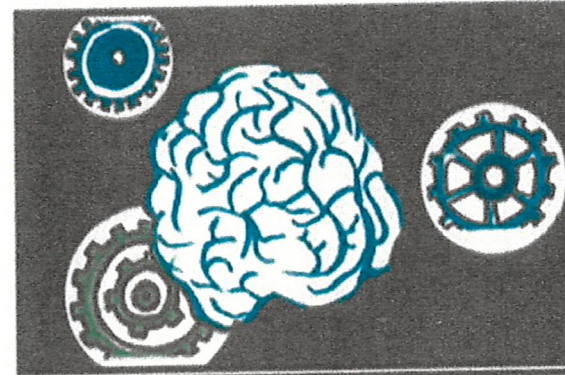
Vanessa's Portfolio



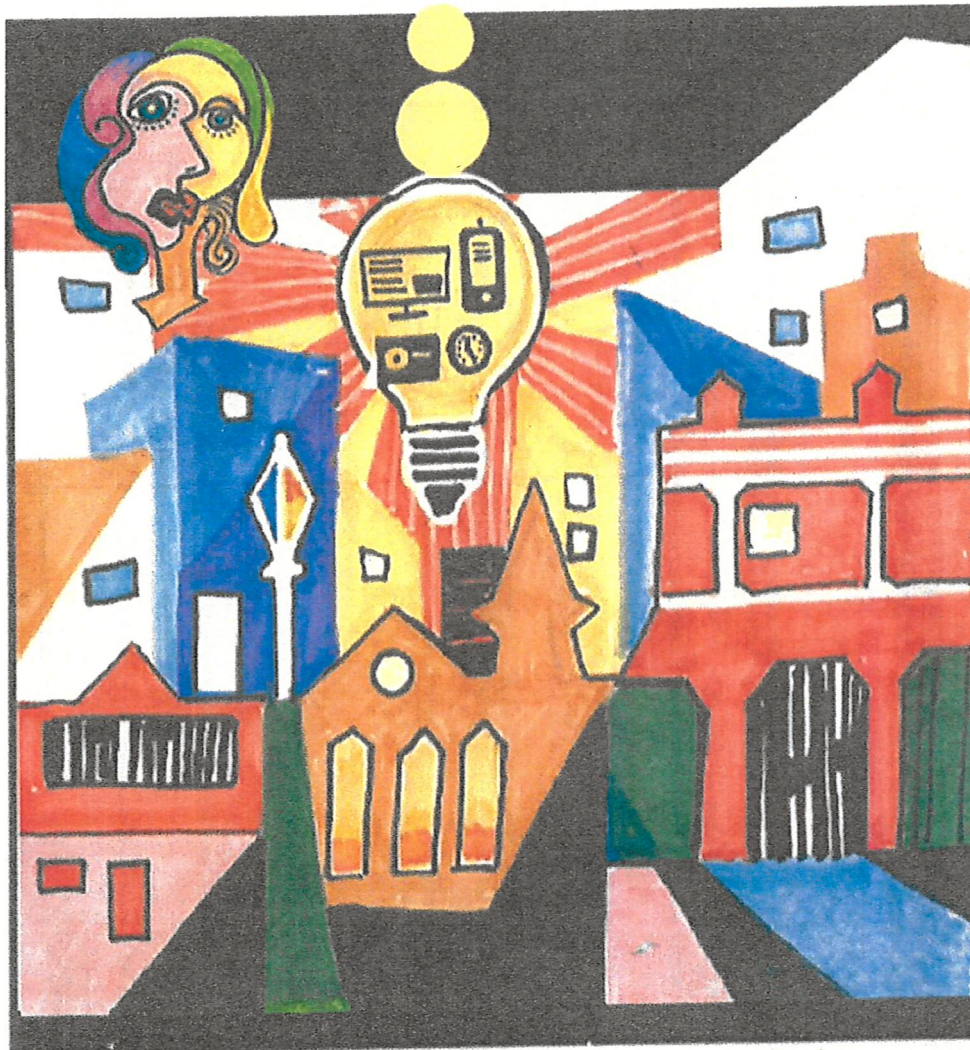
9. Never Stop Learning
 - Tennant/Vineyard Blvd
 - Artist: Pam Mossing

TOP

7.a

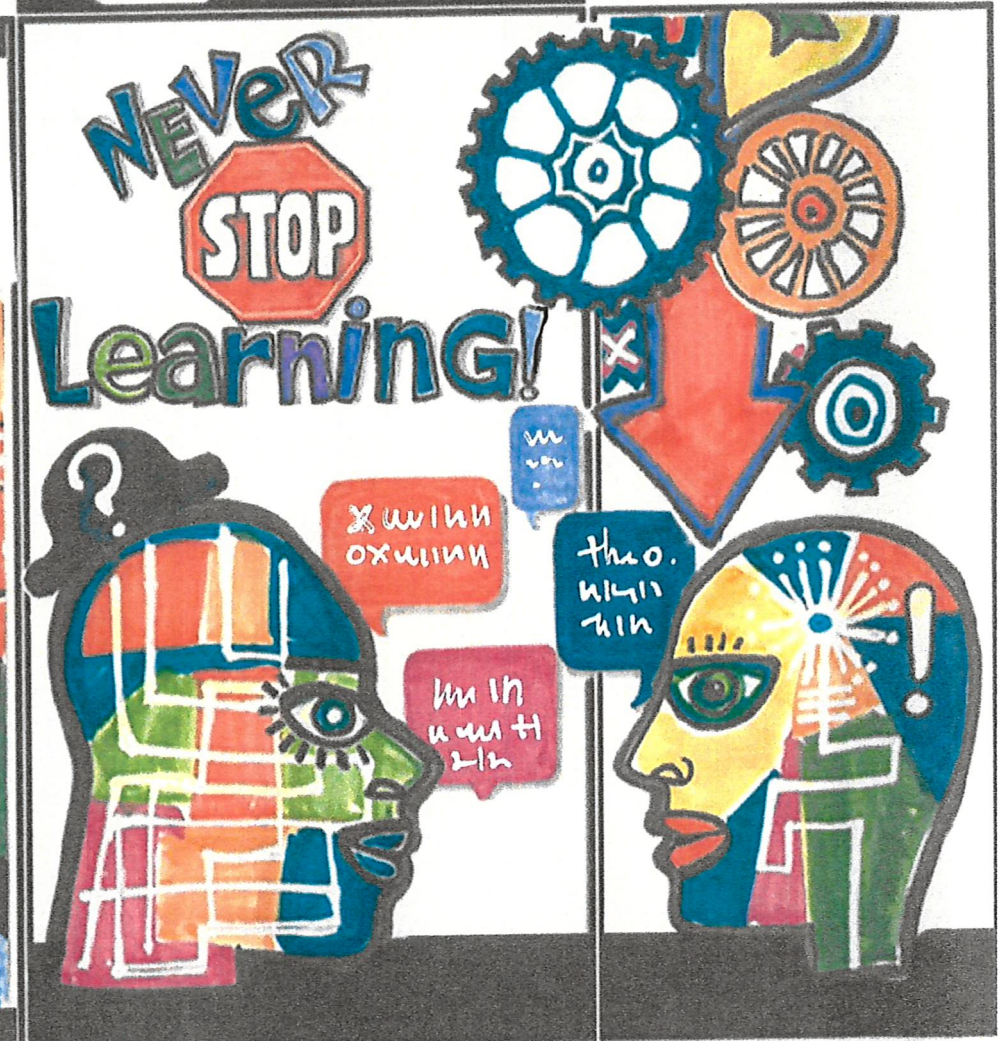


Example of Main Box
 in Morgan Hill



BACK

SIDE



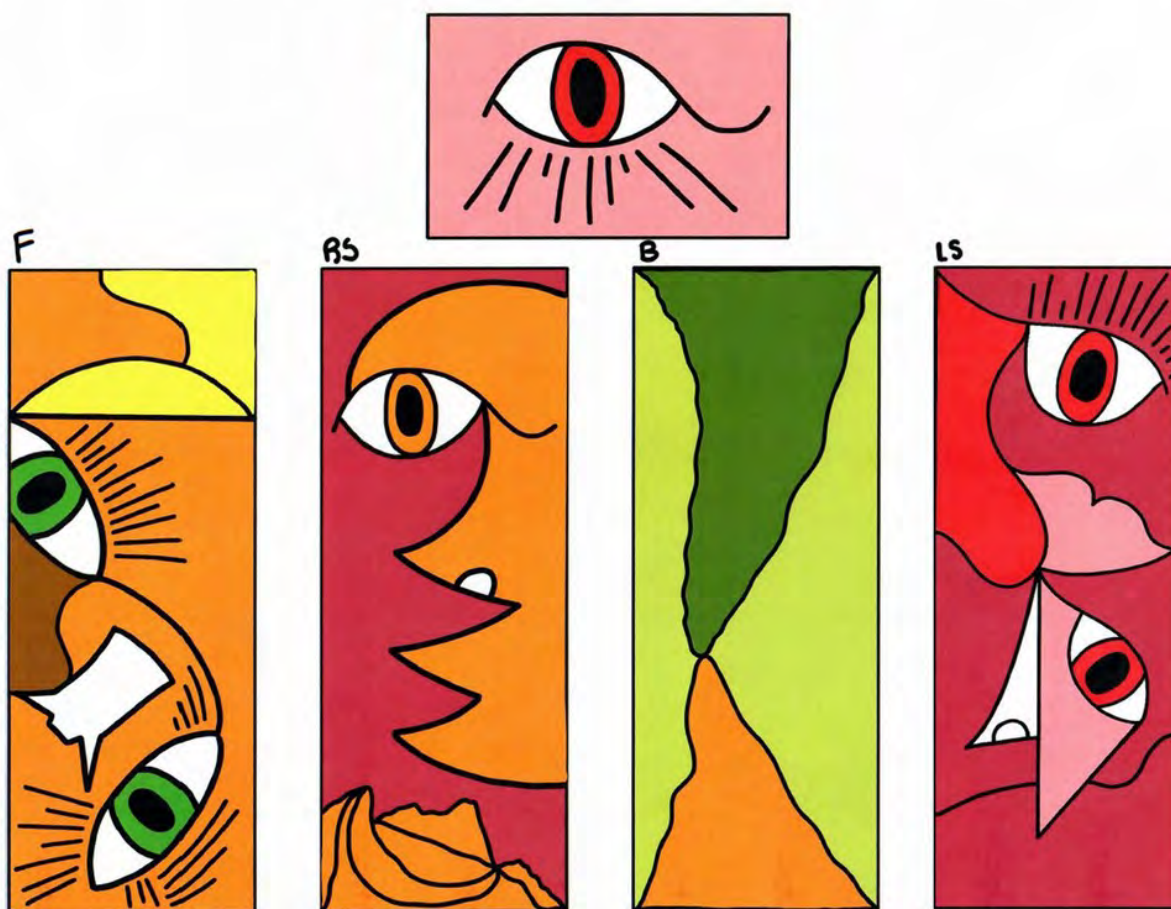
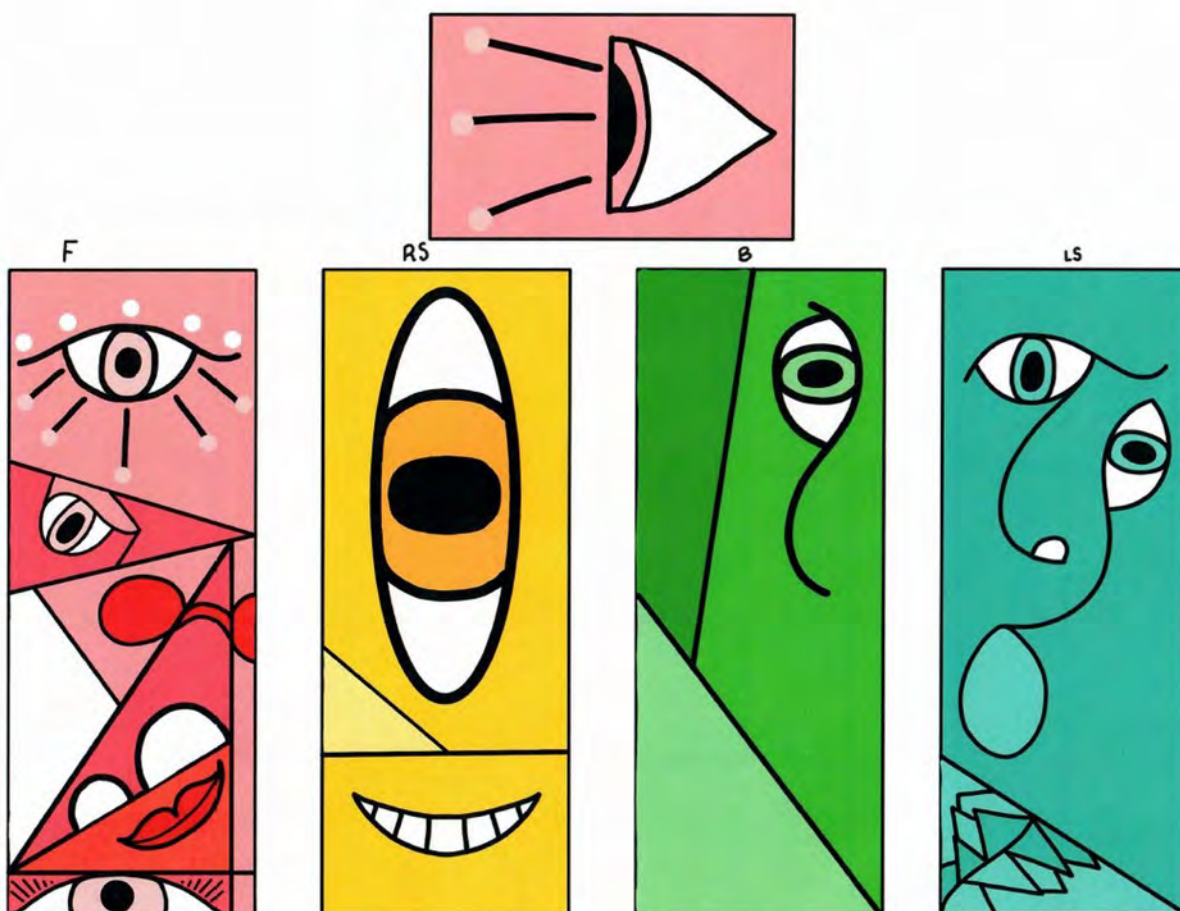
FRONT

SIDE

10. What you think, you become

- Hale/Llagas: (Near a Buddhist temple and Stratford School)
- Artist Noah Chin (student) (see portfolio of finished work)
- Painting description: “I dove into the imagination of the illustrated in a whimsical and disformed style that represents the sheer displacement of what people think. Each panel represents different categories and traits in which a person could follow or think. The back side, e.g. shows compassion, love and empathy — all which a person can think and become. The eyes are displaced from the normal position to express the peer insights of looking inside one’s mind to find traits and beliefs to think and become. I will be adding many more elements to the picture due to the upcoming deadline requirements.” He noticed that the backside would not be very visible thus, less detail on the back.





Noah Chin—Portfolio





CITY COUNCIL STAFF REPORT

MEETING DATE: July 25, 2018

PREPARED BY: Nicole Brown,
APPROVED BY: City Manager

APPROVE TWO YEAR PARKLET PILOT PROGRAM

RECOMMENDATION(S)

Adopt guidelines for a pilot program to authorize parklets within a two-year period in the downtown.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Supporting Our Youth
Seniors
and Entire Community

2018 Strategic Priorities

Infrastructure

GUIDING DOCUMENTS

Downtown Specific Plan
Economic Blueprint
Station Area Master Plan

REPORT NARRATIVE:

The City of Morgan Hill's Economic Blueprint includes provisions to support downtown development and defines the downtown as "the heart of the community, the living room for social gathering and the City's crown jewel." The City has consistently encouraged unique activation of the downtown, such as the pop-up park on Monterey and Second Street, the Third Street Promenade, the Spider "Hiram" on the Fourth Street parking garage, and the many outdoor dining opportunities. Parklets are an additional opportunity to further promote and enhance the downtown by adding unique opportunities and more square footage in the public sphere.

The City has received requests for parklets from two downtown restaurants. Additionally, the City has also received letters of support for a partner program from the Restaurant Group and the Downtown Association. In addition, in an effort to slow down the speeds of traffic along Monterey Road through downtown, the City Council directed staff to implement a number of improvements along Monterey Road between Main Street and Dunne Avenue, as part of the Complete Streets Pilot Project. Among this list of improvements, the City Council directed staff develop a Parklet Program, which would provide additional activation of the street and at the same time, narrow the field of vision for the drivers, triggering speed reduction.

Parklets are extensions of the sidewalk that repurpose on-street parking spaces for the creation of public space. Parklets utilize planters, trees, benches, tables, bike-parking,

artwork, or sculptures to create a small parking-space sized park. In the place of a parking spot, a platform is built to bring the grade of the sidewalk out into the street which elongates the public sidewalk and creates a welcoming outdoor space in conjunction with an adjacent business.

The purpose of a parklet is to increase neighborhood character with different experiences. This is accomplished by the expansion of the sidewalk which increases the public realm. A parklet has the potential to change what was formerly a parking spot into a community gathering space, an art piece, or additional seating for a popular restaurant.

Parklet Parking Impacts

In most cases, parklets utilize on-street public parking to create more public space, removing a few parking spaces in the downtown and replacing them with pedestrian and business amenities. Placement of parklets can be strategic, beginning in areas with more generous parking supply, reducing parking impacts to neighboring businesses. While parking supply is healthy in some areas of downtown, efforts have been made to creating more off-street parking in those areas more isolated from convenient parking supply downtown. Current parking projects enhancements include:

1. 1st and Depot Street Parking Lot: a new temporary City owned public parking lot is poised to create up to 40 spaces in the downtown core and will become available for use in late 2018.
2. Leal Vineyards has opened the 17520 Monterey Avenue 38 space property for public parking at no charge to the City or adjacent businesses.
3. The Caltrain parking lot near Jonty's (17300 Dept Street) has been redesigned to maximize parking, creating 13 new spaces.
4. A survey on handicap parking has been conducted to identify the location of private and public lot disabled parking. In addition, two new handicapped spaces were added on Third Street adjacent to the Bagel House, four spaces added to the second floor of the parking garage adjacent to the elevator, three spaces added in the Depot Street Railroad Park lot, and two new spaces will be added with the construction of the City Ventures project on Third Street and Depot. Finally, the temporary lot on Depot Street and First will have two spaces. Privately, Barley Place constructed two new handicapped spaces in their new commercial parking lot.

Although parklets will utilize parking directly in front of a business, all downtown parklets will be within a ¼ mile walking distance to the 4th street garage as shown in blue in the diagram below.



The vision for Downtown prioritizes the creation of an inviting, interesting, active, and unique place for Morgan Hill residents and visitors alike. A strategy identified by the Station Area Master Plan's (SAMP) 'Pedestrian Realm Design Areas' is to use the buffer area, which is defined as the space between the curb and the vehicle travel-way, to serve as an opportunity for pedestrian realm improvements, such as parklets. Pedestrian realm improvements are an opportunity to produce a memorable and attractive public realm in the downtown that compliments the built environment. Allowing business to extend their activities into the public realm will complement the existing built environment, provide a larger through space for pedestrian travel and slow vehicular travel near the parklet.

Since parklets represent a new addition to the downtown it is recommended that a pilot program be authorized for two years. This will allow time to collect data on the benefits and impacts of parklets. This data will be used to make a recommendation on adopting a permanent parklet program. The parklet pilot program should provide sufficient time to warrant the investment of private businesses in quality parklet construction. It is

therefore suggested that applicants who install parklets during the pilot program term be allowed to continue the operation of the parklet for up to two years after the pilot program ends if a permanent ordinance is not adopted or have up to two years to modify, if necessary, their parklet to conform to the permanent ordinance. The two years would be in the form of two one-year extensions contingent on compliance with any maintenance and operational requirements.

If the Parklet Pilot Program & Guidelines (attachment 1) are approved, the program will allow the City to temporally permit parklets in the downtown. This will allow the City time to see if parklets are a useful addition to the public right-of-way. The program will also provide real world experience on which to base a permanent ordinance if the program is successful.

COMMUNITY ENGAGEMENT: New Project

If an application is accepted for the Parklet Pilot Program, the City will post a public notice at the applicant's location documenting the application for a parklet permit. The public notice must be posted for fourteen (14) calendar days. The notice will alert the public of the parklet and provide the opportunity to express support or opposition to the application.

If there are no objections to the proposed parklet application, the application will proceed to the next step in the permitting process.

If objections are raised during the public notice period:

1. Economic Development Staff will meet and review the application with the objector to determine if there are feasible alternatives to make the parklet acceptable. Final objections will be submitted to the Community Development Director.
2. The City may require redesign of the parklet to attempt to alleviate any objections.
3. If objections to the project are still outstanding, the Community Development Director will make a final determination on the permit based on the proposal, expressed concerns, and overall benefit.
4. If the Community Development Director rejects the application, the applicant may appeal the decision to the Planning Commission or the applicant may reapply if there is another application cycle.

ALTERNATIVE ACTIONS:

1. Council could elect not to approve the Parklet Pilot Program which would result in the City having no process to permit a parklet in the future.
2. Council may provide direction to staff to return with adjustments to the Parklet Pilot Program. This will result in additional staff time committed to this project.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

In the past, the City has allowed a 1-day temporary permit of parklets in the downtown as an activation event called "Downtown Street Scenes" (Attachment 2).

FISCAL AND RESOURCE IMPACT:

If approved, review costs for future parklets will be paid by encroachment and building permit fees.

CEQA (California Environmental Quality Act):

Categorical Exemption

This project is categorically exempt from environmental review under CEQA pursuant to California Code of Regulations, Title 21, Section 15304(b) (Minor Alterations to Land which do not involve removal of healthy, mature, scenic trees).

LINKS/ATTACHMENTS:

1. Draft Parklet Pilot Program & Guidelines
2. Downtown Street Scenes Application

Two Year Parklet Pilot Program

PURPOSE:

The City of Morgan Hill's Economic Blueprint includes provisions to support downtown development and defines the downtown as "the heart of the community, the living room for social gathering and the City's crown jewel." The City has consistently encouraged unique activation of the downtown, such as the pop-up park on Monterey and 2nd street, the Third Street Promenade, the Spider "Hiram" on the 4th street garage and the many outdoor dining opportunities. Parklets are an additional opportunity to further promote and enhance the downtown by adding unique opportunities and more square footage in the public sphere.

Parklets are extensions of the sidewalk that repurpose on-street parking spaces for the creation of public space. Parklets utilize planters, trees, benches, tables, bike-parking, artwork or sculptures to create a small parking-space sized park. In the place of parking spot, a platform is built to bring the grade of the sidewalk out into the street which elongates the public sidewalk and creates a welcoming outdoor space in conjunction with an adjacent business.

The purpose of a parklet is to increase neighborhood character with different experiences. This is accomplished by the elongation of the sidewalk which increases the public realm. A parklet has the potential to change what was formerly a parking spot into a community gathering space, an art piece, or additional seating for a popular restaurant.

BACKGROUND:

Parklets provide an economical solution to the desire and need for wider public space and are intended to provide new areas for the public to sit and enjoy the Downtown. Parklets are intended as sidewalk/street furniture, providing aesthetic elements to the overall streetscape.

INITIAL SUBMITTAL AND PARKLET REVIEW:

The process to propose a parklet consists of a two-step process, an initial submittal, and a more formal application and permit review, governed by the following process requirements:

STEP 1: INITIAL SUBMITTAL

Eligible applicants, should fall into one of the four categories:

- 1) Ground floor business owners
- 2) Non-profit and community organizations
- 3) Fronting property owners
- 4) Other applicants may be consider on a case by case basis.

All applicants must complete the parklet proposal form which includes the following:

- **Photos of Existing Site**
- **Project Description**

Applicants are required to complete a project description (a maximum of 250 words) of their conceptual parklet. The description should include the following:

1. General parklet concept
2. How the applicant intends to use the space
3. How the applicant intends to activate the space

4. Any potential programming applicant envisions

- **Conceptual Rendering**

Additionally, the applicant must submit a conceptual rendering of the proposed parklet. The rendering must show all the parklet elements with its surrounding context, at this stage of the process this drawing does not need to be professionally designed.

Please see example below for reference:



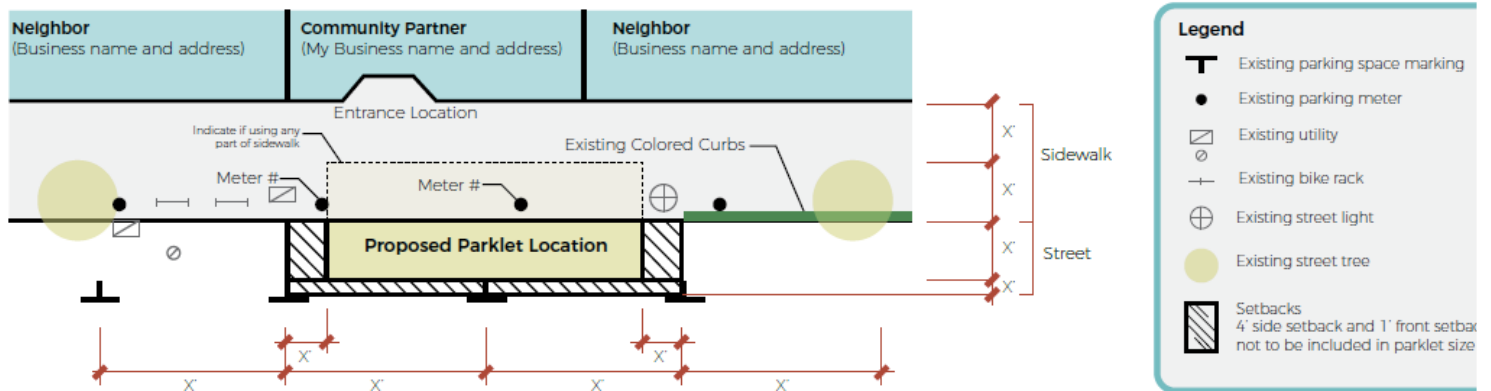
- **Initial Site Plan**

To help the City understand a proposed parklet would fit into the streetscape, applicants must submit an initial site plan. This measured drawing does not have to be professionally designed. Rather, it can be done by hand or on simple computer software.

The site plan must include features 20 feet on either side of the proposed parklet and must contain the following:

1. Parklet dimensions
2. Width of the adjacent sidewalk
3. Location of the Community Partner (if business)
4. Distance to the nearest crosswalk or intersection
5. Location of any above-ground street fixtures (trees, fire hydrants, poles, bike racks, street lights, etc.)
6. At-grade roadway markings (color curbs, lane striping, parking stall markings, etc.)
7. At-grade utilities (panels, storm-drains, manhole covers, etc.)
8. Building addresses at parking space

Please see example below for initial site plan reference:



- **Proof of Notification:**

If an application is accepted for preliminary review, the City will post a public notice at the applicant's location documenting the application for a parklet permit. The public notice must be posted for fourteen (14) calendar days. The notice will alert the public of the parklet and provide the opportunity to express support or opposition to the application.

If there are no objections to the proposed parklet application, the application will proceed to the parklet review step in the permitting process.

If objections are raised during the public notice period:

1. Economic Development Staff will meet and review the application with the objector to determine if there are feasible alternatives to make the parklet acceptable. Final objections will be submitted to the Community Development Director.
2. The City may require redesign of the parklet to attempt to alleviate any objections.
3. If objections to the project are still outstanding, The Community Development Director will make a final determination on the permit based on the proposal, expressed concerns and overall benefit.
4. If the Community Development Director rejects the application, the applicant may appeal the decision to the Planning Commission or the applicant may reapply if there is another application cycle.

STEP 2: PARKLET REVIEW

- **Submit Encroachment Permit Application- Fee waived, paid for through Economic Development**
- **Building and Fire Permit Application**
- **Parklet must meet the appropriate location and design parameters defined below:**

1. The proposed Parklet site should be located approximately twenty (20) feet in from a corner or protected by a bollard, sidewalk bulb-out, or other similar feature, if located at the corner. Exceptions may be considered on a case-by-case basis.
2. The proposed location should be within the downtown core in an area with a posted speed limit of 25 mph or less. Streets with higher speed limits shall not be allowed.
3. The proposed street has parking stalls, and the Parklet shall not be in an existing tow away lane, commercial loading zone, handicap parking or red and white zones.

4. Parklets may replace motorcycle parking if there are appropriate adjacent locations for these zones to be relocated, and if the applicant is willing to pay additional fees for relocating these zones.
5. The Parklet should provide a minimum clearance of 36" from the edge of any existing parking apron, where there is parallel, diagonal or perpendicular parking.
6. The Parklet shall be constructed and/or installed to conform to the applicable provision, rules, regulation and guidelines of Uniform Building Code, the Americans with Disabilities Act (ADA) and the 2010 ADA Standards. For all DAS technical requirements, please refer to "Accessibility Element for Parklets" Standards.
7. A minimum of 84-inches in height must remain clear of any obstruction along the Parklet path of travel, entry and accessibility areas on the Parklet. Obstructions may include but are not limited to tree branches and foliage, overhanging sign panels on posts, and/or the applicant's addition of architectural elements to the Parklet.
8. If the parklet is constructed over underground utilities, or under overhead wire utility service lines, the project sponsor acknowledges that the city can immediately remove the structure or portion thereof in an emergency, with no obligation to restore the parklet. Further, routine maintenance of existing utilities or drainage lines have the potential to cause removal of the parklet, or portion thereof, as reasonably required to provide access to said public, or quasi-public facility.
9. Project sponsor shall demonstrate the ability to keep the facility in a clean and safe operational condition, including acceptance of the protection of street trees and other public facilities within the footprint of the project. The City accepts no maintenance responsibility for the parklet or footprint area.
10. Parklet structures shall not be allowed over a manhole, public utility valve, drainage grate or other at grade access point in the street or sidewalk.
11. As outlined in the Encroachment Permit the city retains the right to require the parklet to be removed immediately if in the City's sole opinion that an unacceptable safety or dangerous operational concern has been created by the parklet.
12. Parklet must be built on a platform that is at grade with the public side walk.
13. Before any construction begins, an insurance certificate must be submitted to the City.
14. A protective barrier must surround the parklet, which may consist of planters, railing or cabling.
15. Parklets are intended to be aesthetic improvements to the streetscape, and materials will be required to be of high quality, durable, and attractive.

DOWNTOWN Street Scenes

Be part of Downtown Morgan Hill in a new way.



Figure 1 - Downtown San Diego's day-long Parklet event.

“People are gathering here in a way they didn’t before.”

– *San Diego Union-Tribune* on the city’s first Parklet (aka, Street Scene)

WHAT: Transform a parking spot into a "Street Scene" and provide a fun opportunity for people to sit, relax, and enjoy downtown Morgan Hill.

WHO: Morgan Hill-based businesses and organizations.

WHEN: Saturday, November 30, 2013 from 9:00 a.m. - 5:00 p.m.

WHERE: On Monterey Road in between 2nd and 3rd Streets.

WHY: This project is intended to create an active and fun environment for downtown patrons and businesses.

November 1, 2013

Dear Merchant,

The City of Morgan Hill, the Morgan Hill Downtown Association and the Morgan Hill Tourism Alliance are launching **"Downtown Street Scenes"** on Saturday November 30 from 9:00 a.m. - 5:00 p.m. This one-day event, between 2nd and 3rd Street on Monterey Road, will replace on-site parking spaces and transform them into public spaces, where you can have an opportunity to create your very own Street Scene.

From lounges and art displays to bicycle parking and gardens, there are no limits on creativity. Join us as we redecorate Downtown Morgan Hill for one of the busiest shopping days of the year!

From 9:00 a.m.-5:00 p.m., there will be ten Street Scenes available (five on each side of the street). The spaces will be approximately twenty feet in length and six feet wide (see attached map). This project is brought to you by the Tourism Alliance Downtown Activation Committee in partnership with the City of Morgan Hill and the Morgan Hill Downtown Association.

Much of the planning has already been taken care of. All you need to do is apply to activate a space.

<u>Things Needed</u>	<u>Responsible Party</u>
Notice of no public parking between 2nd & 3rd Street	City of Morgan Hill
Encroachment Permit fee waived	City of Morgan Hill
Traffic mitigation barriers & fake grass (astro turf)	City of Morgan Hill
Liability insurance coverage	Morgan Hill Downtown Association
Marketing & Promotion	Morgan Hill Downtown Association/Tourism Alliance
Volunteers/Manpower	MHDA & Tourism Alliance
Activation of Downtown Street Scene	YOU!!!!

Now, it's your turn. Will you join us?

Sincerely,

City of Morgan Hill
Morgan Hill Downtown Association
Morgan Hill Tourism Alliance

F.A.Q.

Who is eligible?

All participating businesses and organizations must be based in Morgan Hill.

How do I apply?

You will need to turn in a completed application (see page 3) to City Hall (17575 Peak Ave.) by 4:00 p.m. Friday, November 15. Once City Staff reviews the application, participants will be notified by either email or phone.

Please allow up to one week for review and issuance. There will be ten Street Scenes available and will be assigned to those with the most creative proposals.

What else do I need?

You will also need to provide a basic diagram (does not have to be to scale; sketch is fine) of the proposed Street Scene. John McKay, a local contractor, has offered to assist with the drawing of the diagram. His contact information is mhwinedine2013@gmail.com. Although it would be preferred if the diagram is turned in with the application, the diagram can be turned in separately. Diagrams are due at 12:00 noon on Friday, November 22. If you can turn it in earlier, it would be appreciated. See example on page 8.

If the Street Scene is in front of my storefront, do I still need to apply?

Yes.

I've turned in an application. I've been selected to host a Street Scene. What else do I need?

Although there will be wine barrels placed to serve as a street barrier (in between the turf and white stripe, which is approximately three feet in distance), participants must provide additional barriers that can be incorporated into their street scene. These could be planters, fences, or other related items. The purpose of the barrier is to provide a visual statement to alert drivers and creates a distinct space for your street scene. See photo on previous page for ideas.

Do I need to create a theme?

A theme is encouraged. Be as creative as you can, but it should be appropriate for all ages. But what is important is that the space is activated (with furniture and props) and managed by YOU.

When can I setup/cleanup my Street Scene?

You may setup your Street Scene no earlier than 8:00 a.m. You must clear your Street Scene by 5:30 p.m.

What if I only want activate my scene for three hours?

That's fine, although, preference will be given to those applicants who will activate and manage it all day. If you know of a merchant who agrees to split the time, that will work too.

If I have questions, who can I talk to?

For more information, contact Adam Henig, Management Analyst - MTEP, City of Morgan Hill at adam.henig@morganill.ca.gov or 408.425.3050.



Downtown Street Scenes ENCROACHMENT PERMIT APPLICATION INFORMATION

Application DUE: 4:00 p.m., November 15, 2013.

ATTN: Adam Henig, Management Analyst - MTEP

Name of Parklet Participating Business/Organization: _____

Contact Person: _____

Business/Organization Address: _____

Federal Tax ID#: _____

Email Address: _____ **Phone:** _____

- I. **What is your theme? Will there be an organized activity?** _____

- II. **What is the timeframe of activation of your Street Scene?** _____
- III. **What materials will be used to construct your Street Scene (e.g., a loveseat, 2 stools, a coffee table)?** _____

- IV. **In addition to the provided wine barrels, what materials will be used to establish a barrier (planters, fence, other related items)** _____

- V. **Using the map on page 6, do you have a preference of where you would like to be located?** _____ **Is there a second preference?** _____

The selection process will be based on the number of applicants and the creativity of the proposal.

Participants are responsible for the materials and management of their Street Scene. The City is not responsible for any damage or loss. Once the event has concluded, the participant is responsible for returning the street area the Street Scene had occupied as it was found. Since the Street Scene will be located on public streets, the Street Scene itself is open to the public. This permit is revocable. The City reserves the right to revoke this permit at any time when it finds that the conditions of the permit or of Chapter 12.04 of the Municipal Code are not being met.

I understand that the City's acceptance of this encroachment permit application does not constitute approval by the City. Furthermore, I understand that any person who does or causes to be done any improvement or encroachment work of any kind within the City's right-of-way without first having obtained a permit therefore, is in violation of Municipal Code Section 12.08.040 and therefore deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$1,000.00 or by imprisonment in the county jail for not more than six months, or by both fine and imprisonment, per Municipal Code Section 12.08.150. There shall be no liability on the City or upon any of its officers, agents or employees for any damage by the Permittee from any cause arising out of permitted activities. Furthermore, I agree to indemnify, defend and hold harmless the City of Morgan Hill and its officers and employees from any liability arising out of permitted activities.

 Applicant Name (printed)

Signature

Date

OK TO ISSUE PERMIT: **OFFICE USE ONLY: (Please Initial & Date)**

I. Permit Application Received: _____

DPW Director: _____

Economic Development Representative: _____

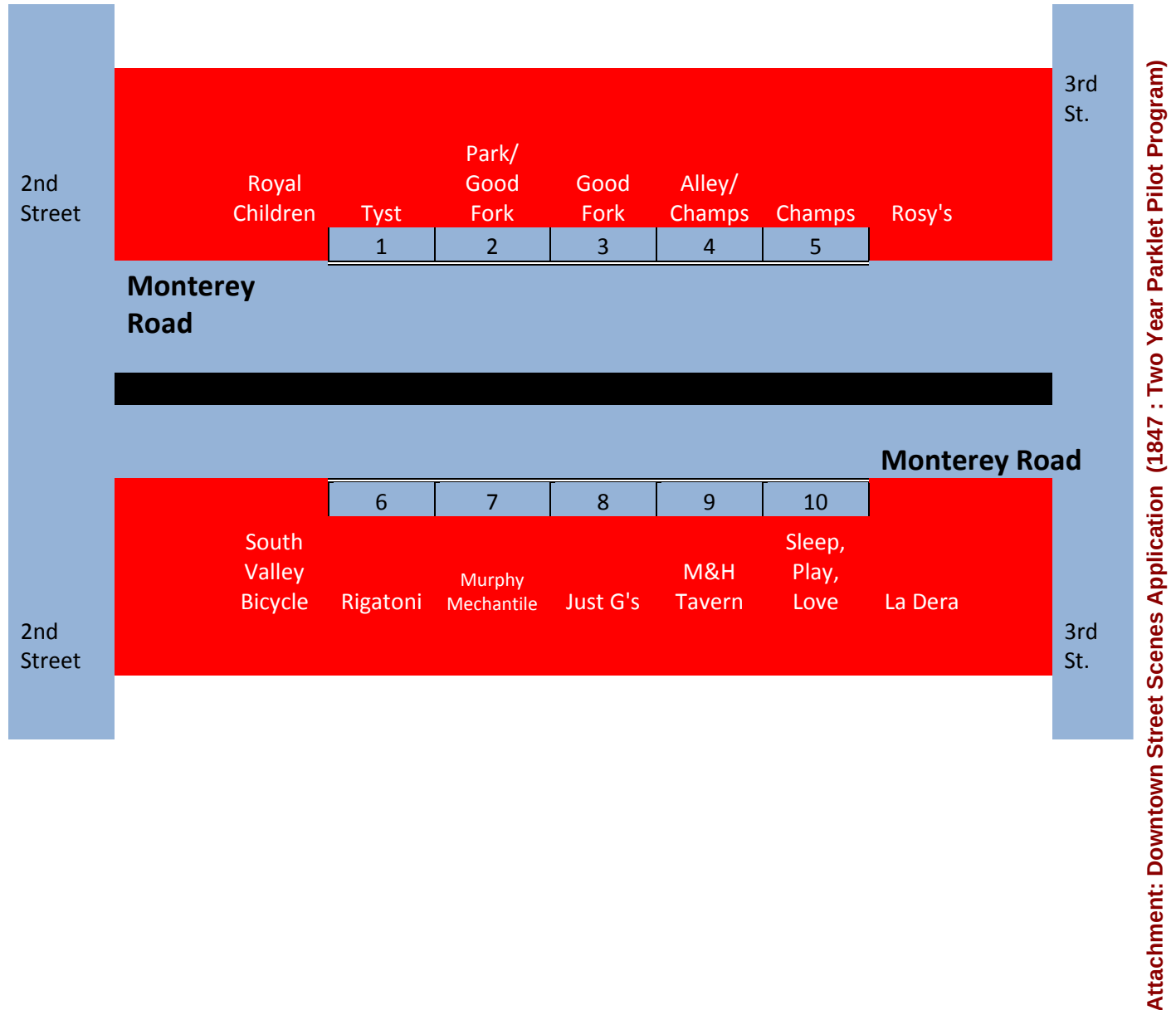
II. Diagram of Street Scene Received: _____

DPW Director: _____

Economic Development Representative: _____

Downtown Street Scenes Map Selection

NOTE: Map is not drawn to scale. Street Scenes are numbered in approximate locations



Sample Application



Downtown Street Scenes ENCROACHMENT PERMIT APPLICATION INFORMATION

Application DUE: 4:00 p.m., November 15, 2013.

ATTN: Adam Henig, Management Analyst - MTEP

Name of Parklet Participating Business/Organization: The Book Shop

Contact Person: Scott Fitzgerald

Business/Organization Address: 123 Main St.

Federal Tax ID#: 12-3456789

Email Address: scott@bookshop.com

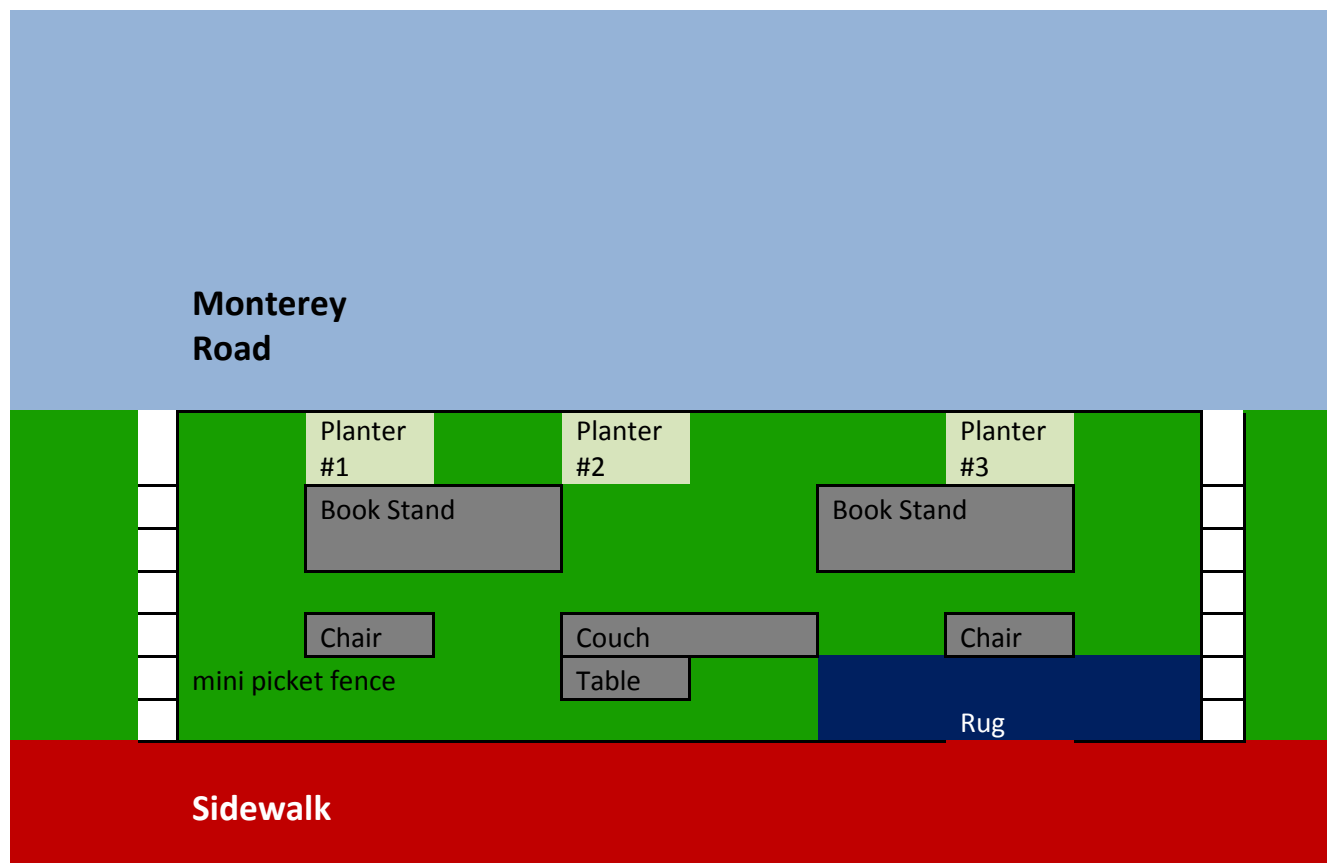
Phone: 408-555-555

- I. What is your theme? Will there be an organized activity? Bookworm is the theme; Every hour we'll be having storytime.
- II. What is the timeframe of activation of your Street Scene? 9:00am - 5:00pm
- III. What materials will be used to construct your Street Scene (e.g., a loveseat, 2 stools, a coffee table)? Two bookstands, two chairs, 1 couch, 1 table, 1 area rug
- IV. In addition to the provided wine barrels, what materials will be used to establish a barrier (planters, fence, other related items) 3 planters, 2 mini picket fences
- V. Using the map on page 6, do you have a preference of where you would like to be located? 5 Is there a second preference? 7

The selection process will be based on the number of applicants and the creativity of the proposal.

Participants are responsible for the materials and management of their Street Scene. The City is not responsible for any damage or loss. Once the event has concluded, the participant is responsible for returning the street area the Street Scene had occupied as it was found. Since the Street Scene will be located on public streets, the Street Scene itself is open to the public. This permit is revocable. The City reserves the right to revoke this permit at any time when it finds that the conditions of the permit or of Chapter 12.04 of the Municipal Code are not being met.

Sample Diagram



THEME: *Book Worm*

Example of a Diagram (can be hand drawn as well)



CITY COUNCIL STAFF REPORT

MEETING DATE: July 25, 2018

PREPARED BY: Rebecca Garcia, Housing Manager

APPROVED BY: City Manager

APPROVE REVOLVING FUND TO PROVIDE CASH FLOW FOR ACQUISITION AND REHABILITATION OF BELOW MARKET RATE HOMES IN ORDER TO PRESERVE THE UNITS FOR RE-SALE

RECOMMENDATION(S)

1. Authorize the establishment of a \$1,000,000 Below Market Rate (BMR) Housing Acquisition and Rehabilitation revolving fund to provide cash flow for the preservation of BMR homes that need to be purchased and/or rehabilitated by the City and resold to new eligible homeowners; and
2. Approve an amendment to the City's Fiscal Year 2018-19 budget, appropriating \$1,000,000 from the Housing Fund (236) for a revolving fund for short term expenses associated with the acquisition and/or rehabilitation of BMR homes that need to be purchased and/or rehabilitated for resale.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Fiscal Responsibility
Supporting Our Youth
Seniors
and Entire Community

2018 Strategic Priorities

Financial Stewardship
Regional Initiatives

GUIDING DOCUMENTS

General Plan/Housing Element

POLICY CONSIDERATIONS:

Should the City Council consider authorizing the establishment of a \$1,000,000 Below Market Rate (BMR) Housing Acquisition and Rehabilitation revolving fund, to provide cash flow for the preservation of Below Market Rate homes for the purpose of purchasing and/or rehabilitating BMR homes to resell to new qualified affordable housing homebuyers?

Should the City Council authorize the City Manager to approve exercise of re-purchase covenants and rehabilitation of units, utilizing the Housing Acquisition and Rehabilitation Revolving Fund contingent upon preserving and reselling BMR units at affordable levels?

REPORT NARRATIVE:

The City of Morgan Hill maintains a large below market-rate (BMR) affordable housing inventory with 518 affordable ownership units built over the past 30 years. To preserve

the affordable housing stock, the City can exercise its rights under the terms of the Restricted Covenants to purchase and preserve BMR properties at the time of resale or foreclosure to make the home available for resale to a low to moderate income first-time homebuyer and to preserve the unit as part of the BMR Program inventory for an additional 45 years.

To facilitate the expedient re-purchase and rehabilitation, the City Council is being asked to consider establishing a revolving fund, to be used temporarily to buy and rehabilitate units, eliminating the need to individually request each such action and use alternative funding sources which add to the cost of unit recovery due to interest charges. Staff requests authority to create a Budget line item in Housing Fund 236, for a revolving Housing BMR Housing Acquisition and Rehabilitation fund in the amount of \$1,000,000 to cover the costs required for acquisition and/or rehabilitation of these units. This fund will be reimbursed as properties are rehabilitated and resold to eligible buyers.

To date, BMR Administrator Housekeys has utilized a line of credit to acquire and rehabilitate units. This method of financing is limited to the size of the line of credit, and has become expensive, as an added cost of rehabilitation. Finally, if several units arrive to market or have a repurchase need through foreclosure or bankruptcy, Housekeys needs adequate and timely resources to exercise the covenants and prepare the units for resale. Most recently, the Council was asked to authorize acquisition and rehabilitation of a home, as the Housekeys line of credit had been exceeded with other pending actions. Establishment of the fund, with City Manager approval of each transaction, gives the program needed flexibility. Since costs of acquisition and rehabilitation are recovered with resale, this expenditure request is short-term, replenishing the Housing Fund at the time the home is resold.

Before accessing the fund, staff will verify that 1) costs are reviewed and supported by the City Manager, 2) dollars spent can be recovered to the Housing Fund from the resale of the property in a timely manner, and 3) that all other efforts have been exhausted and purchasing the home is required in order to maintain the home in the portfolio and extend the affordability.

COMMUNITY ENGAGEMENT: This report serves to inform the community of the recommended action.

ALTERNATIVE ACTIONS:

The City Council may choose not to approve the revolving BMR Housing Acquisition and Rehabilitation fund.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

In past housing workshops, the City Council has indicated preservation of the City's affordable housing assets as a high priority. This recommendation is consistent with those goals. On May 18, 2016, the City Council adopted a Below Market Rate Program Resolution. On April 4, 2018, the City Council approved the acquisition of 17760 McLaughlin Court (BMR) home by the City Housing Fund. On May 16, 2018, the City

Council approved the acquisition of 18428 Jade Lane (BMR) home by the City Housing Fund. On June 6, 2018, the City Council approved the rehabilitation of 330 Creekwood Court (BMR) home by the City Housing Fund.

FISCAL AND RESOURCE IMPACT:

The Housing Team is recommending that the City Council authorize the use of Housing Fund 236 to create a \$1,000,000 revolving fund to provide necessary cash flow for BMR acquisition and rehabilitation. This is a temporary or short-term expenditure of the Housing Fund requiring an amendment to the adopted budget (see attached Budget Scorecard). Once the home(s) are resold, sale proceeds will replenish the Housing Fund.

CEQA (California Environmental Quality Act):

Categorical Exemption: This action is exempt under CEQA Guideline 15326, action to implement housing assistance through acquisition of housing units.

LINKS/ATTACHMENTS:

1. Budget Scorecard Fund 236
2. Resolution - budget amendment BMR fund

AGENDA BUDGET SCORECARD

FISCAL YEAR 2018-19

ADJUSTMENT #

004

FUND:

DEPARTMENT:

OBJECT:

236	Housing Mitigation Fund
7100	Housing Development
86100	ACQUISITION EXPENSE

AGENDA DATE:

07/25/18

Revolving Fund Line Item to Provide Cash Flow for Acquisition and Rehabilitation of Below Market Rate Homes to Preserve Units for Sale

AGENDA ITEM TITLE:

	07/01/18 PROJECTED BEGINNING FUND BALANCE	ESTIMATED REVENUES	AMENDED APPROPRI- ATIONS	06/30/19 PROJECTED ENDING FUND BALANCE
ORIGINAL BUDGET	2,716,608	1,613,912	2,297,424	2,033,096
CUMULATIVE REVISIONS PRIOR TO RECOMMENDED ACTION	-	-	-	-
RECOMMENDED ACTION	-	-	1,000,000	(1,000,000)
RESULT OF RECOMMENDED ACTION	<u>2,716,608</u>	<u>1,613,912</u>	<u>3,297,424</u>	<u>1,033,096</u>

Attachment: Budget Scorecard Fund 236 (1869 : REVOLVING FUND LINE ITEM TO PROVIDE CASH FLOW FOR ACQUISITION AND

RESOLUTION NO.

A RESOLUTION APPROVING AN AMENDMENT TO THE CITY'S FISCAL YEAR 2018-2019 BUDGET IN THE HOUSING FUND (FUND NO. 236) TO APPROPRIATE ONE MILLION DOLLARS (\$1,000,000) THEREFORE

WHEREAS, recommended amendments are needed and proposed to the City's previously adopted Budget for Fiscal Year 2018-2019 as set forth on Exhibit A to this Resolution, 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 establishment of a \$1,000,000 Below Market Rate (BMR) Housing Acquisition and Rehabilitation revolving fund is to provide cash flow for the preservation of Below Market Rate homes that need to be purchased and or rehabilitated by the City and resold to new eligible income qualified homeowners; 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

WHEREAS, the City Council determines that adoption of this Resolution is in the public interest.

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 2018-2019 Budget, as the same has been amended to date, is hereby further amended in accordance with and as reflected on Exhibit A attached hereto and incorporated herein by this reference; 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 2018-2019 Budget of 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 25th day of July, 2018.

AYES: COUNCIL MEMBERS:
 NOES: COUNCIL MEMBERS:
 ABSTAIN: COUNCIL MEMBERS:
 ABSENT: COUNCIL MEMBERS:

DATE: _____

 Steve Tate, MAYOR

∞ CERTIFICATION ∞

I, **Irma Torrez, City Clerk of the City of Morgan Hill, California**, do hereby certify that the foregoing is a true and correct copy of Resolution No. XX-XXX, adopted by the City Council at a regular meeting held on July 25, 2018.

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

DATE: _____

 IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: July 25, 2018

PREPARED BY: Gina Paolini, Interim Principal Planner

APPROVED BY: City Manager

ZA2018-0003: AN ORDINANCE AMENDING THE COMPETITION MANUAL FOR THE RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDSCS) AND ESTABLISHING THE AVAILABLE ALLOTMENTS FOR THE 2018 COMPETITION YEAR

RECOMMENDATION(S)

1. Open/close public hearing;
2. Waive first and second reading of Ordinance amending Section III of the RDSCS Competition Manual;
3. Introduce Ordinance amending Section III of the RDSCS Competition Manual;
4. Adopt resolution amending Sections I, II and IV of the RDSCS Competition Manual;
5. Adopt Resolution establishing 215 Fiscal Year 2020/21 allotments for the 2018 RDSCS competition.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Protecting the Environment
 Maintaining Fiscal Responsibility
 Preserving and Cultivating Public Trust

2018 Strategic Priorities

Infrastructure

GUIDING DOCUMENTS

Bikeways
 Trails
 Parks and Recreation Masterplan
 Downtown Specific Plan
 General Plan/Housing Element

POLICY CONSIDERATIONS:

1. Do the proposed amendments to the Residential Development Control System (RDSCS) Competition Manual adequately address the objectives identified in Measure S?
2. Do the proposed amendments within the Affordable Housing Section of the Manual adequately address the City's affordable housing objectives?
3. Should the RDSCS building allotments awarded in 2018 and scheduled for construction in 2020/21 be reduced or remain at 215, as recommended by the Planning Commission?

REPORT NARRATIVE:

1. RDCS Competition Manual

A comprehensive update of the City of Morgan Hill's Residential Development Control System (RDCS) was approved by voters on November 8, 2016 and became effective on March 1, 2017. The RDCS ordinance is codified in Chapter 18.78 of Title 18 (Zoning) of the Morgan Hill Municipal Code.

Section 18.78.100 of the Morgan Hill Municipal Code requires that the City Council adopt and maintain an RDCS Competition Manual that establishes criteria and point values that the City will use to award allotments to competing residential projects. The RDCS Competition Manual contains policies to guide implementation of the RDCS.

To promote long term consistency and reduce uncertainty for applicants, the competition criteria and point values within the RDCS Competition Manual can only be amended once a year. If amended, competition criteria and/or point values must be established no later than six months prior to the RDCS application submittal deadline.

The City Council is being requested to review the proposed amendments to the RDCS Competition Manual and adopt the amendments. Once the RDCS Competition Manual is adopted, the draft RDCS schedule will be formalized and the RDCS application submittal deadline will be established for the development community.

Planning Commission Action

The Planning Commission held two workshops, on June 5, 2018 and June 19, 2018, to review, consider input from the community, discuss, and provide feedback to the City team on the revisions to the RDCS Competition Manual. The Planning Commission held public hearings regarding proposed revisions to the RDCS Competition Manual on June 26, 2018 and July 10, 2018.

The Final revised RDCS Competition Manual (Attachment 3), incorporates revisions proposed by the Planning Commission. A mark-up copy has been provided to assist with identifying the comprehensive revisions (Attachment 4).

The Planning Commission considered revisions to the Affordable Housing Section to be important for the City to reach the Regional Housing Needs Allocation (RHNA) goals. The Affordable Housing tables have been updated to require a 15 percent public benefit commitment (increase from 8 percent) for all projects except for downtown. Specific tables have been provided that would require a 10 percent public benefit commitment for downtown ownership and rental projects. There are also opportunities to receive additional points should an applicant provide more than the baseline 15 percent. The Affordable Housing Section of the RDCS Competition Manual requires a minimum score to qualify for competition. This minimum score would be eliminated if the City adopts an Inclusionary Housing ordinance.

At its hearing on July 10, 2018, the Planning Commission unanimously recommended

City Council adopt the attached revisions to the RDCS Competition Manual for the upcoming 2018 RDCS competition.

2. 2018 RDCS Available Allotments

The purpose of this discussion is for the City Council to determine if the number of available Fiscal Year 2020/21 allotments for the 2018 RDCS competition should be reduced. The City Council may choose to allocate up to 215 allotments for the 2018 RDCS competition (i.e., no reduction), as recommended by the Planning Commission, or establish an alternative number of available allotments. Should the City Council desire to reduce the number of allotments from 215, that decision should be made based upon the five (5) findings listed in Section 18.78.110.B of the Morgan Hill Municipal Code:

- a. Reducing the number of allotments is necessary to prevent a sudden spike in construction of new housing caused by a backlog of awarded allotments which have not yet been exercised.
- b. Public infrastructure and services are or will be inadequate to accommodate the new development. Public infrastructure and services include public schools, the transportation system, parks, police, fire service, storm drainage, wastewater, and water service.
- c. Other conditions are present that necessitate a reduction in the number of available allotments to achieve the RDCS purpose as stated in Section 18.78.010 (RDCS Purpose and History).
- d. Downtown and/or Agricultural Preservation Set-Aside allotments have been issued. The number of annual allotments must be reduced to address the issuance of any set-aside allotments.
- e. There is insufficient demand necessary to produce high quality developments or public benefits.

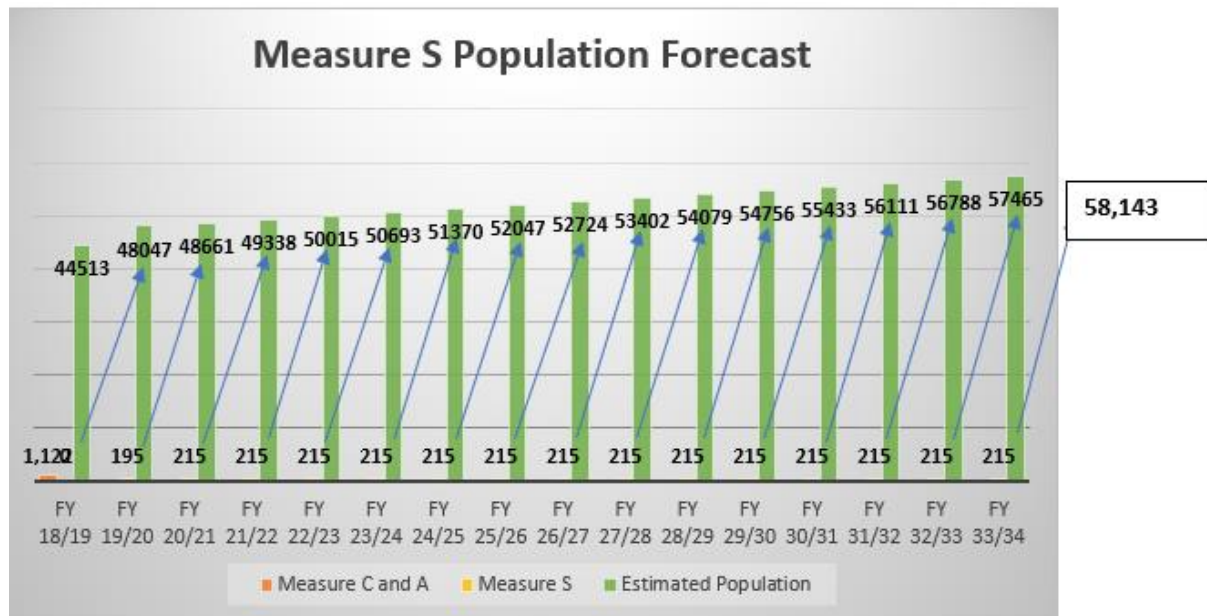
According to the California State Department of Finance, the population of the City of Morgan Hill, as of January 1, 2018, was 44,513 and the average number of persons per household (PPH) was determined to be 3.15.

Using this information, the city team has provided a population forecast for the City. If all the awarded Measure C and A allotments were to commence and build by June 30, 2019, the population would be approximately 48,047 determined as follows:

Outstanding Measure A and Measure C Allotments	
Measure C Allotments	983
Measure A Allotments	139
Total	1,122

Adjusted population: $1,122 \text{ d/u} \times 3.15 \text{ PPH} = 3,534 + 44,513 = 48,047 \text{ population}$

The number of allotments available each year and the process to adjust the number is intended to ensure that the City's population does not exceed 58,200 residents in 2035. To assist the City Council in their decision-making process, the following graph has been provided forecasting the estimated population if 215 allotments were to be awarded each year until the end of the 2035 RDCS award cycle.



Based on a review of the stated findings and forecast information, data does not suggest that a threat to the population ceiling is imminent, and therefore no reduction in the 2018 RDCS Measure S competition is warranted for this competition year.

Planning Commission Action

At its hearing on July 10, 2018, the Planning Commission discussed at length the number of allotments that should be available for the 2018 RDCS competition. The Planning Commission considered the City's population estimate calculation and whether it was an accurate forecast.

The Commission determined that the findings required by 18.78.110.B of the Morgan Hill Municipal Code that necessitate a reduction in the available allotments could not be made and found that because of the unique circumstances of this competition year due to a State declared housing crisis, changes in State housing law, particularly as applicable to affordable housing, and the need to meet RHNA numbers to prevent adverse consequences for the City of Morgan Hill, that a reduction in the available allotments should not be made.

Although some Commissioners did not agree with the City population estimate and believed the total allocation number should be set at 201, the Planning Commission recommended, with a 5-2 (Tanda, Martinez-Beltran) vote, that the number of available Fiscal Year 2020/21 allotments for the 2018 RDCS competition should remain at 215 due to the extraordinary circumstance the City was facing in meeting the RHNA allocations. The Planning Commission also recommended that the set aside competition categories (as shown below) be limited to Affordable Housing and On-going Projects, with the remaining allotments being unassigned to promote competition and allowing for more flexibility in awarding projects.

<u>Competition Category</u>	<u>Number of Allotments</u>
Affordable Housing	97
On-going Projects (Measure C)	25
On-going Projects (Measure S)	15
Unassigned	78
Total	215

There was unanimous agreement that the Affordable Housing and On-going Projects set asides were appropriate. Commissioner Martinez-Beltran, based on the disagreement with the City population estimate, believed the open market (unassigned) category should be reduced to 64 to meet her preferred total allotment number of 201.

COMMUNITY ENGAGEMENT: Involve

The Planning Commission held two workshops, on June 5, 2018 and June 19, 2018 to consider input from the community on the revisions to the RDCS Competition Manual.

Members of the community, including developers and their representatives attended the public workshops and actively participated with the Planning Commission providing valuable feedback on the revisions to the RDCS Competition Manual.

ALTERNATIVE ACTIONS:

Adopt a Resolution reducing the number of available Fiscal Year 2020/21 allotments from 215 to some other number.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

At its hearing on July 10, 2018, the Planning Commission unanimously recommended that the City Council adopt the RDCS Competition Manual for the upcoming 2018 RDCS competition and with a 5-2 (Tanda, Martinez-Beltran) vote, that the number of available Fiscal Year 2020/21 allotments for the 2018 RDCS competition remain at 215. The Planning Commission staff reports from the June 26, 2018 and July 10, 2018 have been provided (Attachment 6).

FISCAL AND RESOURCE IMPACT:

Revisions to the RDCS Competition Manual is within the Planning Division's work plan and budget.

For any reduction from 215 allotments, there may be a potential loss of RDCS related revenues received from developers.

CEQA (California Environmental Quality Act):

An Environmental Impact Report (EIR) for the Morgan Hill 2035 Project, which included the RDCS Update, was prepared in accordance with the California Environmental Quality Act (CEQA) and certified by the Morgan Hill City Council on July 27, 2016. (SCH #2015022074).

LINKS/ATTACHMENTS:

1. Ordinance_-Revisions RDCS Manual
2. CC_Reso_-Revisions RDCS Manual
3. Revised Competition Manual-7_25_18
4. Revised Competition Manual 07_25_18_Markup
5. CC- Resolution - Set aside allotments
6. July 10, 2018 Planning Commission Staff Report (web link)
7. June 26, 2018 Planning Commission Staff Report (web link)

ORDINANCE NO.

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
MORGAN HILL APPROVING REVISIONS TO SECTION III-
COMPETITION CRITERIA, STANDARDS AND POINTS OF
A COMPETITION MANUAL (FILE NO. ZA2018-0003) FOR
THE RESIDENTIAL DEVELOPMENT CONTROL SYSTEM
(RDACS)**

WHEREAS, a comprehensive update of the City of Morgan Hill Residential Development Control System (RDACS) was approved by voters on November 8, 2016 (Measure S) and became effective on March 1, 2017 and codified in Chapter 18.78 of Title 18 (Zoning) of the Morgan Hill Municipal Code; and

WHEREAS, Section 18.78.100 of the RDACS ordinance requires that the City Council adopt and maintain an RDACS Competition Manual that establishes criteria and point values that the City will use to award allotments to competing residential projects; and

WHEREAS, the RDACS Competition Manual contains policies that guide the implementation of the RDACS; and

WHEREAS, the Planning Commission held two workshops on June 5, 2018 and June 19, 2018 to review, consider input from the community, discuss, and provide feedback on revisions to the RDACS Competition Manual; and

WHEREAS, said revisions to RDACS Competition Manual were considered by the Planning Commission at its regular meetings held on June 26, 2018 and July 10, 2018, at which time the Planning Commission recommended approval of Ordinance ZA2018-0003: Residential Development Control System (RDACS) Competition Manual; and

WHEREAS, said revisions to RDACS Competition Manual were considered by the City Council at its regular meeting of July 25, 2018; and

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

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEARBY ORDAIN AS FOLLOWS:

SECTION 1. The proposed revisions to the RDACS Competition Manual are consistent with the RDACS Ordinance (Chapter 18.78 of the Municipal Code), and the General Plan.

SECTION 2. An Environmental Impact Report (EIR) for the Morgan Hill 2035 Project, which included the Residential Development Control System (RDACS) Update, was prepared in accordance with the California Environmental Quality Act (CEQA) and certified by the Morgan Hill City Council on July 27, 2016. (SCH #2015022074)

SECTION 3. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of

the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 4. Effective Date; Publication. This ordinance shall take effect thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

THE FOREGOING ORDINANCE WAS INTRODUCED AT A REGULAR MEETING OF THE CITY COUNCIL HELD ON THE 25th DAY OF JULY 2018 AND WAS FINALLY ADOPTED AT A REGULAR MEETING OF THE CITY COUNCIL HELD ON THE ____ DAY OF _____ 2018, AND SAID ORDINANCE WAS DULY PASSED AND ADOPTED IN ACCORDANCE WITH LAW BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST:

APPROVED:

IRMA TORREZ, City Clerk

STEVE TATE, Mayor

❧ CERTIFICATION ❧

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA,
do hereby certify that the foregoing is a true and correct copy of Ordinance No. _____, New Series,
adopted by the City Council of the City of Morgan Hill, California at its regular meeting held on the
day of _____, 2018.

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

DATE: _____

IRMA TORREZ, City Clerk

RESOLUTION NO. 18-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AMENDMENTS TO SECTION I – COMPETITION MANUAL OVERVIEW, SECTION II – COMPETITION CRITERIA SUMMARY, AND SECTION IV – IMPLEMENTATION POLICIES OF THE RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDACS) COMPETITION MANUAL (FILE NO. ZA2018-0003)

WHEREAS, a comprehensive update of the City of Morgan Hill Residential Development Control System (RDACS) was approved by voters on November 8, 2016 (Measure S) and became effective on March 1, 2017 and codified in Chapter 18.78 of Title 18 (Zoning) of the Morgan Hill Municipal Code; and

WHEREAS, Section 18.78.100 of the RDACS ordinance requires that the City Council adopt and maintain an RDACS Competition Manual that establishes criteria and point values that the City will use to award allotments to competing residential projects; and

WHEREAS, RDACS Competition Manual Section I provides an overview of the manual and RDACS Competition Manual Section II summarizes the criteria that the City will use to award projects to competing projects; and

WHEREAS, RDACS Competition Manual Section III – Competition Criteria, Standards, and Points, shall be amended and adopted by a separate City Council ordinance; and

WHEREAS, the RDACS Competition Manual (Section IV) contains policies to guide the implementation of the RDACS; and

WHEREAS, the Planning Commission held two workshops on June 5, 2018 and June 19, 2018 to review, consider input from the community, discuss, and provide feedback on revisions to the RDACS Competition Manual; and

WHEREAS, said revisions to the RDACS Competition Manual were considered by the Planning Commission at their regular meetings held on June 26, 2018 and July 10, 2018, at which time the Planning Commission recommended approval of Ordinance, ZA2018-0003: Residential Development Control System (RDACS) Competition Manual; and

WHEREAS, said revisions to the RDACS Competition Manual were considered by the City Council at its regular meetings of July 25, 2018; 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, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MORGAN HILL THAT:

- SECTION 1.** The proposed revisions to the RDCS Competition Manual are consistent with the RDCS Ordinance (Chapter 18.78 of the Municipal Code), and the General Plan.
- SECTION 2.** An Environmental Impact Report (EIR) for the Morgan Hill 2035 Project, which included the Residential Development Control System (RDCS) Update, was prepared in accordance with the California Environmental Quality Act (CEQA) and certified by the Morgan Hill City Council on July 27, 2016. (SCH #2015022074)
- SECTION 3.** The RDCS Competition Manual shall consist of the sections adopted by this Resolution combined with Section III – Competition Criteria, Standards, and Points adopted by a separate City Council ordinance, and a copy of the RDCS Ordinance as an appendix.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Morgan Hill at a regular meeting held on the 25th day of July 2018.

AYES: **COUNCIL MEMBERS:**
NOES: **COUNCIL MEMBERS:**
ABSTAIN: **COUNCIL MEMBERS:**
ABSENT: **COUNCIL MEMBERS:**

APPROVED:

ATTEST:

STEVE TATE, Mayor

IRMA TORREZ, City Clerk

∞ **CERTIFICATION** ∞

I, Irma Torrez, 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 at a regular meeting held on July 25, 2018.

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

DATE: _____

IRMA TORREZ, City Clerk

CITY OF MORGAN HILL – JULY 2018



RDCS Competition Manual



Attachment: Revised Competition Manual-7_25_18 (1862 : RDCS Competition Manual)

CONTENTS

I. COMPETITION MANUAL OVERVIEW	1
II. COMPETITION CRITERIA SUMMARY	3
A. Criteria and Points Overview	3
B. Specific Criteria and Available Points	3
C. Types of Criteria and Project Scoring Examples	6
D. Minimum Score	8
III. COMPETITION CRITERIA, STANDARDS, AND POINTS	9
1. SCHOOLS	9
2. LOCATION	11
3. AFFORDABLE HOUSING	17
4. HOUSING DIVERSITY	22
5. PARKS AND OPEN SPACE	28
6. ENVIRONMENTAL PROTECTION	38
7. TRANSPORTATION	41
8. MUNICIPAL INFRASTRUCTURE	47
9. PROJECT QUALITY	51
IV. RDCS IMPLEMENTATION POLICIES	58
A. Schedule for 2018 Competition	58
B. Exemptions	59
C. Application Submittal Requirements	59
D. General Plan and Zoning Consistency	59
E. Competition Categories and Ongoing Projects	61
F. Scoring	62
G. Multi-year Allotments	63
H. Development Agreement	63
I. Tentative Subdivision Map	63
J. Exercise of Allotments	64
K. Early Start of Construction	64
L. Extensions	64
M. Transfer of Allotments	65

N. On-Going Allotments 65

O. CEQA 66

APPENDIX: RDCS ORDINANCE (Morgan Hill Municipal Code Chapter 18.156)67

I. COMPETITION MANUAL OVERVIEW

This RDCS Competition Manual contains the criteria and standards that the City of Morgan Hill uses to award residential allotments to projects. These criteria and standards are consistent with the RDCS ballot measure approved by the voters in 2016, the RDCS Ordinance in Division IV of the Morgan Hill Development Code, and with the growth management goals and policies in the General Plan.

The RDCS Competition Manual is an official City policy document adopted by the City Council on June 7, 2017 (Section III by Ordinance No. 2248) and June 21, 2017 (Section I, II, and IV by Resolution No. 17-053). The Manual contains the specific rules to award points to competing projects, as well as examples of how these rules are applied and interpreted for sample projects. The Manual will be revised overtime to help the City identify projects that best meet the community's development objectives and award points to competing projects in a predictable and consistent manner. This manual is implementing Chapter 18.78; in the case of a conflict with Title 18 and this manual, the code shall take precedence.

Following this introduction, Section II the RDCS Competition Manual presents the nine Objectives, which are categories of RDCS competition criteria established by the RDCS ordinance and lists the individual competition criteria within these nine Objectives. The manual then presents each individual standard and criteria with definitions of terms, rules for scoring projects, and example project scoring as needed. The competition criteria identified in this Section are intended to be objective, quantifiable, written development standards, conditions, and policies appropriate to, and consistent with, meeting the jurisdictions' share of the regional housing need pursuant to Section 65584 for which all housing development projects must demonstrate compliance. These objective criteria further supplement the zoning standards and design review standards in effect at the time of application. The final section of the manual establishes policies and procedures for administering the RDCS competition and award of allotments. The RDCS ordinance is attached to this manual as an appendix.

The Updated RDCS

The Residential Development Control System (RDCS) is Morgan Hill's voter-approved growth management system that limits the total amount and pace of new residential construction and encourages high-quality development that enhances residents' quality of life. The RDCS was first established in 1977 and has been extended and modified multiple times by voters since then.

In November of 2016 the voters approved the current version of the RDCS, known as Measure S. This updated RDCS establishes a maximum population limit of 58,200 in 2035 and a maximum of 215 allotments available each year. The updated RDCS continues the requirement that a residential development project compete for allotments each year, predicated upon the City awarding allotments to projects based on established scoring criteria. Unlike previous versions of the RDCS, the specific competition criteria are contained in this Competition Manual, not in the RDCS Ordinance itself.

The RDCS Ordinance contains rules and requirements that may only be modified by the voters as well as content that may be modified by the City Council without voter approval. Content within the Competition Manual which may be modified only by the voters include the nine City Objectives

and limitations regarding the number of points available within these nine Objectives described in the next section. Other contents of this Competition Manual, including the specific competition criteria and standards and the specific point values for each, may be modified by the City Council without voter approval.

II. COMPETITION CRITERIA SUMMARY

A. Criteria and Points Overview

Section 18.78.100.A (Competition Criteria) of the RDCS Ordinance states that the Competition Manual must establish the criteria that the City will use to award points to competing projects, and these criteria must advance nine specific City Objectives. Table 1 below lists these nine Objectives, identifies the maximum number of points that may be awarded from criteria that advance the Objectives, and shows the percent of the maximum points that may be awarded for each.

TABLE 1: CRITERIA ADVANCING OBJECTIVES

Objective	Maximum Score	
	Points	Percent
1. Schools	10	5%
2. Location	22	11%
3. Affordable Housing	34	17%
4. Housing Diversity	23	11.5%
5. Parks and Open Space	29	14.5%
6. Environmental Protection	22	11%
7. Transportation	15	7.5%
8. Municipal Infrastructure	10	5%
9. Project Quality	35	17.5%
Total	200	100%

Section 18.78.100.B (Points) of the RDCS Ordinance states that the cumulative total number of points for competition criteria that advance each of the nine Objectives shall be a minimum of 5 percent (i.e., 10 points) and a maximum of 20 percent (i.e., 40 points) of the maximum total number of RDCS competition points (i.e., 200 points). The City Council may adjust the number of points within each Objective by no more than 15 percent of the points available within the Objective the previous year. For purposes of the RDCS, the term “points available” is intended to mean the Objective maximum points. A 15 percent reduction or increase in points shall be rounded to the closest whole number (e.g. a 15 percent change that is equivalent to 1.8 points, shall be rounded to 2.0 points).

B. Specific Criteria and Available Points

Table 2 shows each of the competition criteria for the nine Objectives, the available points for each competition criteria, and the maximum number of points that may be awarded within each Objective. Within each Objective there are typically more *available* points than *maximum* points that may be awarded. For example, within the Location Objective there are 36 available points and 22 maximum points. A project may select any of the 36 available points to maximize its score, but may not be

awarded more than 22 points within the Objective. With total available points that exceed maximum points that may be awarded in each Objective, projects have multiple pathways to maximize their scores and may earn points from criteria that are most appropriate for the project type. Partial points may not be awarded unless specifically stated.

Points are intended to be awarded only for projects that provide for excellence in project design and provide a community benefit that exceeds minimum requirements of the City and other governmental agencies. All projects must comply with City standards established in the General Plan, Municipal Code, and other City rules and regulations together with other applicable laws.

To promote long term consistency and reduce uncertainty for applicants for residential development, the City Council may amend competition criteria and point values in the Competition Manual only when necessary and no more frequently than once per year. Annually the Planning Commission reviews and recommends to the City Council any revisions to the competition criteria and/or point values. If amended, competition criteria and/or point values must be established no later than six months prior to the RDCS application submittal deadline.

TABLE 2: RDCS COMPETITION CRITERIA

Criteria	Points Available	Objective Maximum Points
1. Schools	17	10
1-A: Proximity to Schools	5 (6 Senior)	
1-B: Proximity to Schools with Capacity	2	
1-C: Student Transportation Improvements	10	
2. Location	42	22
2-A: Central Core	12	
2-B: Infill Corridors	10	
2-C: Adjacent to Development	5	
2-D: Proximity to Daily Needs	5	
2-E: Proximity to Police and Fire Service	5	
2-F: Areas with Public Utility Capacity	5	
3. Affordable Housing	34	34
3-A: Affordable Housing Fund Contribution	30	
3-B: Development of Affordable Units	34	
4. Housing Diversity	54	23
4-A: Accessory Dwelling Units	6	
4-B: Diversity of Housing Types	12	

4-C: Variation in Housing Size	12	
4-D: Small Units	12	
4-E: Housing Stock Diversity	8	
4-F: Single-Story Homes	4	
5. Parks and Open Space	62	29
5-A: Park Fund Contribution	6	
5-B: Excess Park Land	5	
5-C: Agriculture Conservation or Open Space Easement	12	
5-D: Agriculture Buffer	4	
5-E: Agriculture Preservation or Open Space Fund Contribution	9	
5-F: On-Site Recreational Amenities	8	
5-G: Amenities for All Age Groups	2	
5-H: Public Gathering Places	3	
5-I: Proximity to Public Park	3	
5-J: Open Space Design	10	
6. Environmental Protection	54	22
6-A: Energy Efficiency	6	
6-B: On-Site Solar Energy Generation	10	
6-C: Indoor Water Use	4	
6-D: Outdoor Water Use	12	
6-E: Sustainable Site and Building Design	22	
7. Transportation	31	15
7-A: Bicycle and Pedestrian Improvements	6	
7-B: Transit Improvements	3	
7-C: Off-Site Roadway Improvements or Fund Contribution	6	
7-D: Transportation Demand Management	5	
7-E: Connections to Adjacent Property	3	
7-F: Internal Connections	4	
7-G: EV Charging Stations	4	
8. Municipal Infrastructure	18	10
8-A: Water Infrastructure	3	
8-B: Wastewater Infrastructure	3	
8-C: Storm Water Infrastructure	3	
8-D: Infrastructure and Services Fund Contribution	3	

8-E: Broadband Connectivity	6	
9. Project Quality	60	35
9-A: Exterior Building Design	15	
9-B: Building Placement and Massing	15	
9-C: Site Improvements	7	
9-D: Vehicle Parking and Access	13	
9-E: Public Art	3	
9-F: Smart Homes	4	
9-G: Project Excellence	3	
Total Points Available	372	200

C. Types of Criteria and Project Scoring Examples

There are four general types of RDSCS competition criteria: 1) location criteria; 2) qualitative criteria; 3) off-site criteria; and 4) voluntary funding criteria.

Location Criteria

Location criteria award points based on the location of a property within the City of Morgan Hill. These points are awarded based on location and therefore cannot be “earned” through project features or contributions. Location points are primarily within the Location Objective but also in the Schools and Parks and Open Space Objectives. Location criteria are intended to encourage and prioritize infill development and housing close to existing services and infrastructure.

Location Criteria Example: Criteria 2-A (Central Core)

Within Criteria 2-A (Central Core) a project receives 1 to 12 points depending on its distance from Morgan Hill’s central core. A project that is two miles from the central core would receive 1 point. Projects closer to the central core would receive more points, up to 12 points for projects within the central core. The central core boundaries are shown in Figure 2 in Part 3 of the Competition Manual. The distance from the central core is measured using the minimum distance between any portion of a parcel and the central core boundary measured in a straight line.

Qualitative Criteria

Qualitative criteria award points for improvements and design features located on the development site. Qualitative points are available in all Objectives except for Schools and Location. Qualitative points are awarded for project features such as diversity in housing types and sizes, parks and recreational amenities, on-site bicycle and pedestrian facilities, and excellence in site and building design. Qualitative criteria directly benefit project residents as well as the community at large.

Qualitative Criteria Example: Criteria 4-A (Accessory Dwelling Units)

Within Criteria 4-A (Accessory Dwelling Units) a project receives 1 to 3 points for incorporating accessory dwelling units on lots with detached single-family homes. An accessory dwelling unit is a secondary dwelling

unit located on the same lot as a detached single-family dwelling and may be either attached or detached from the main home. Within this criteria projects receive 1 point for providing 10 to 20 percent of lots with accessory dwelling units, 2 points for 20 to 30 percent of lots with accessory dwelling units, and 3 points for more than 30 percent of lots with accessory dwelling units.

Off-Site Criteria

Off-site criteria award points for the construction of improvements outside of the project site that would provide a public benefit. Points are available for constructing bicycle, pedestrian, and roadway improvements, establishing an agricultural conservation easement, and constructing public utility improvements. Points awarded for off-site improvements are typically based on the value of the improvement per number of units (e.g., 1 point for \$1,000 in improvement value per unit). In some cases, the City may accept a financial contribution in-lieu of constructing the improvement to better meet community needs.

Off-Site Criteria Example: Criteria 7-C (Off-Site Street and Parking Improvements)

Within Criteria 7-C (Off-Site Street and Parking Improvements) a project receives up to 6 points for constructing off-site street roadway improvements or providing funds for the construction of off-site street roadway improvements. A project receives 1 point for every \$1,000 in value of improvement per unit. For example, if a 10-unit project constructs off-site street improvements valued at \$20,000, the project would receive 2 points. To receive these points, the off-site improvement must be voluntary and not otherwise required by the City or any other public agency.

Voluntary Funding Criteria

Voluntary funding criteria awards points for financial contributions to City funds used to provide community services and infrastructure. Voluntary contributions are available for affordable housing, parks and open space, agricultural preservation, transportation improvements, infrastructure, and services. Points awarded for voluntary fund contributions are based on the value of the improvement per number of units (e.g., 1 point for \$1,000 in contribution per unit). Points are awarded only for contributions beyond minimum City fees and are separate from any required development impact fees. **Voluntary Funding Criteria Example: Criteria 5-E (Agriculture Preservation or Open Space Fund Contribution)**

Voluntary Funding Criteria Example: Criteria 5-E (Agriculture Preservation or Open Space Fund Contribution) Within Criteria 5-E (Agriculture Preservation or Open Space Fund Contribution) a project receives up to 9 points for contributing to the City's agriculture preservation or open space fund beyond the minimum requirement. Points awarded are based on amounts established through the City's Special Funds Ordinance (4 points for \$3,899.09 contributed per unit and 9 points for \$7,798.19 contributed per unit). Based on this a 10-unit project that contributes \$38,990.90 would receive 4 points and a 10-unit project that contributes \$77,981.90 would receive 9 points.

In most cases, a project feature or contribution may not earn a project point in more than one criteria. For example, a project that earns points for installing safe-routes-to-school pedestrian improvements within Criteria 1-C (Student Transportation Improvements) may not also receive points for the same improvement within Criteria 7-A (Bicycle and Pedestrian Improvements). However, there are cases

where a project design feature may allow a project to receive points from multiple criteria. For example, a project that incorporates accessory dwelling units may earn points in criteria 4-A (Accessory Dwelling Units) and 4-B (Diversity of Housing Types). Points may be awarded in multiple criteria for a single project feature only where expressly identified in Section III of this manual.

D. Minimum Score

Section 18.78.080.B (Minimum Score) of the RDCS Ordinance states that a project may receive allotments only if it receives a score of at least 80 percent of the total maximum score in the RDCS competition criteria. As shown in Table 1, the total maximum score is 200, therefore, a project must receive at least 160 points (80 percent of 200) to receive allotments.

To receive allotments, a project must receive a minimum score of 18 points, except as provided for within Section III Objective 3 Affordable Housing. For all other Objectives, there is no minimum score to be eligible for allotments. However, to receive at least 160 points, a project would need to receive points from criteria within at least six of the nine Objectives, if not more.

RDCS criteria and point values have been designed to provide a realistic pathway for all types of projects to achieve a minimum score through location and qualitative criteria points. It is expected that many projects will elect to receive points from off-site and funding contribution in order to achieve a winning score and receive allotments.

III. COMPETITION CRITERIA, STANDARDS, AND POINTS

1. SCHOOLS

Intent: Support safe and convenient access to schools and promote high quality schools in Morgan Hill.

Points Available: See Table 3.

TABLE 3: SCHOOL POINTS AVAILABLE

Criteria	Points Available	
1-A: Proximity to Schools	5	
1-B: Proximity to Schools with Capacity	2	
1-C: Student Transportation Improvements	10	
Total	17	10 Maximum

Criteria 1-A: Proximity to Schools

Standard: The project is within walking distance of one or more Morgan Hill Unified School District (MHUSD) schools.

Points: See Table 4.

TABLE 4: POINTS FOR PROXIMITY TO SCHOOL

Project Location	Points
Walking distance from one school (elementary, middle, or high school)	2
Walking distance from two schools, each serving different grade levels (elementary, middle, or high school)	5

Total Available Points: 5

Senior Projects. Housing projects for senior citizens as defined in Section 51.2 of the State Civil Code will receive an automatic 6 points regardless of proximity to schools.

Scoring Instructions: A project is within walking distance of a school if it is 0.75 miles or less from an elementary school and 1.5 miles or less from a middle or high school.

To be eligible for points, students must be able to walk along a safe route from the project to the school as determined by the MHUSD. A safe route means a continuous sidewalk, pedestrian path, or trail with street crossings, intersection controls, and other physical improvements that reduce potential conflicts between pedestrians, bicyclists, and vehicles. A safe route must be in place at time of application submittal or established by the applicant within the first year of project construction.

The distance to a school is measured as the lineal distance a student would walk, from the project point of entrance nearest to the school to the nearest entrance point of the school grounds.

Schools eligible for points include any MHUSD school or charter school included on the MHUSD official list of existing and planned schools. MHUSD schools and programs which serve all students in the district and don't have specific boundaries (e.g., Community Adult School, Continuation High School) are not eligible for points.

Scoring Example: A project located within walking distance of an elementary school would receive two points. If the project is within walking distance of both an elementary and a middle school, the project would receive five points.

Criteria 1-B: Proximity to Schools with Capacity

Standard: The project is located within walking distance of one or more Morgan Hill Unified School District (MHUSD) schools with capacity to serve new students.

Total Available Points: 2 points

Scoring Instructions: To be eligible for points, the project must be located within walking distance of an elementary, middle, or high school that has capacity to house the number of students that the development would yield as determined by the MHUSD in writing prior to the RDCS competition application deadline.

For multi-year projects, the project shall retain the points received during the first phase.

The requirements for walking distance, safe routes to schools, rules of measurement, and eligible schools for Criteria 1-B above also apply to Criteria 1-C.

Criteria 1-C: Student Transportation Improvements

Standard: The project contributes funds or constructs off-site pedestrian, bicycle and/or vehicle access improvements for Morgan Hill Unified School District (MHUSD) schools within the Morgan Hill Sphere of Influence.

Points: 1 point for every \$1,000 of improvement value per unit; and/or 1 point for every \$1,000 in funds contributed per unit.

Total Available Points: 10 points

Scoring Instructions: A project may receive points if it constructs sidewalks, pedestrian paths, trails with street crossings, intersection controls, vehicle access enhancements, and other physical improvements that reduce potential conflicts between pedestrians, bicyclists, and vehicles. Improvements must facilitate a safe route to school for pedestrians and bicyclists from the project to a MHUSD school. A project may also receive points for contributing funds to the City's Safe Access to Schools Fund to be used by the City to construct physical improvements to enhance safe student access to MHUSD schools including a project that is not within walking distance of an eligible school as provided in Criteria 1-B.

2. LOCATION

Intent: Encourage infill projects adjacent to existing development and close to existing community services and facilities.

Points Available: See Table 5.

TABLE 5: LOCATION POINTS AVAILABLE

Criteria	Points Available	
2-A: Central Core	12	
2-B: Infill Corridors	10	
2-C: Adjacent to Development	5	
2-D: Proximity to Daily Needs	5	
2-E: Proximity to Police and Fire Service	5	
2-F: Areas with Public Utility Capacity	5	
Total	42	22 Maximum

Criteria 2-A: Central Core

Standard: The project is in or near Morgan Hill's central core.

Points: See Table 6.

TABLE 6: POINTS FOR CENTRAL CORE

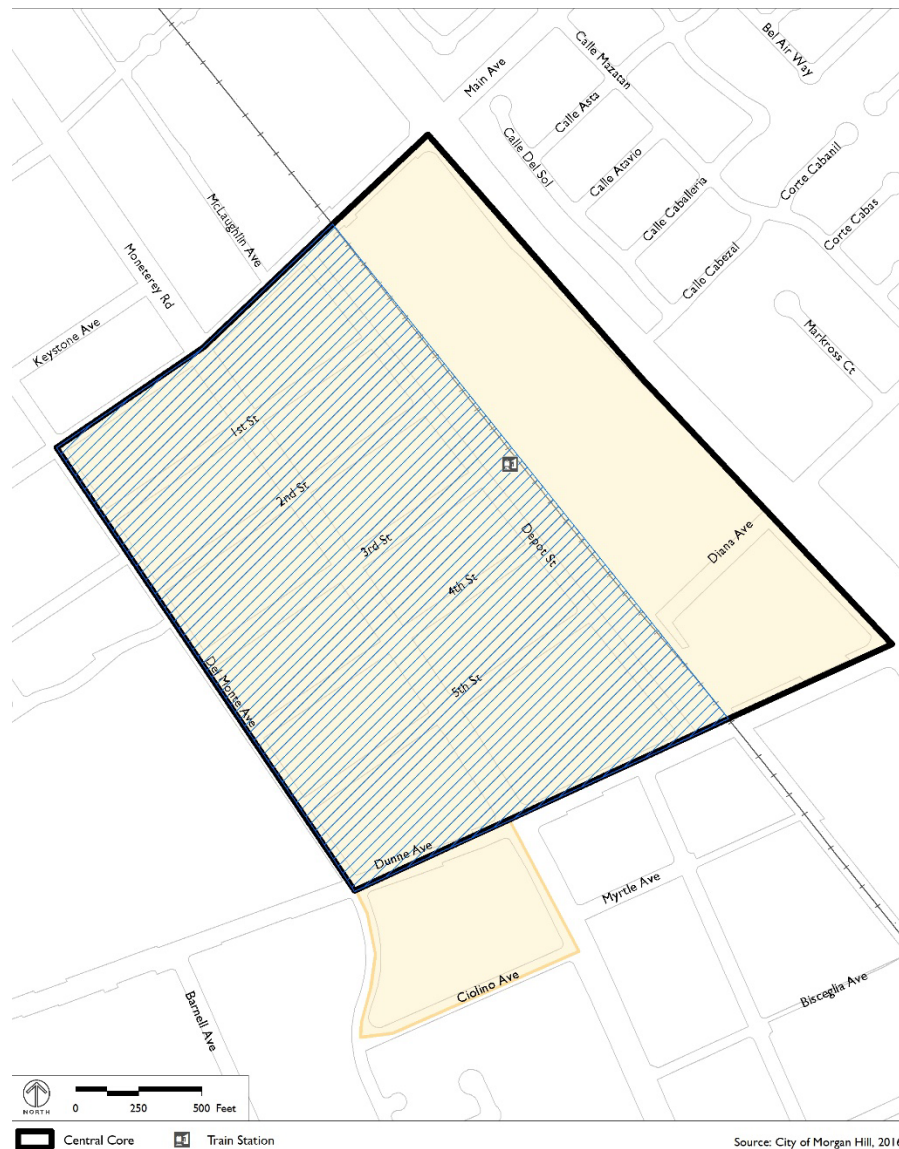
Project Distance from Central Core	Points
Within two miles	2
Within one mile	4
Within three-quarters mile	6
Within one-half mile	8
Within one-quarter mile	10
Within the Central Core	12

Total Available Points: 12

Scoring Instructions: Central core boundaries are shown in Figure 1. The distance from the central core is measured using the minimum distance between any portion of a parcel and the central core boundary measured in a straight line.

If any portion of a project is within a distance from the central core shown in Table 6, the project may receive the total number of points corresponding to that distance. For example, if any portion of the project area is within a half mile of the central core, the project may receive 8 points.

FIGURE 1: CENTRAL CORE BOUNDARIES



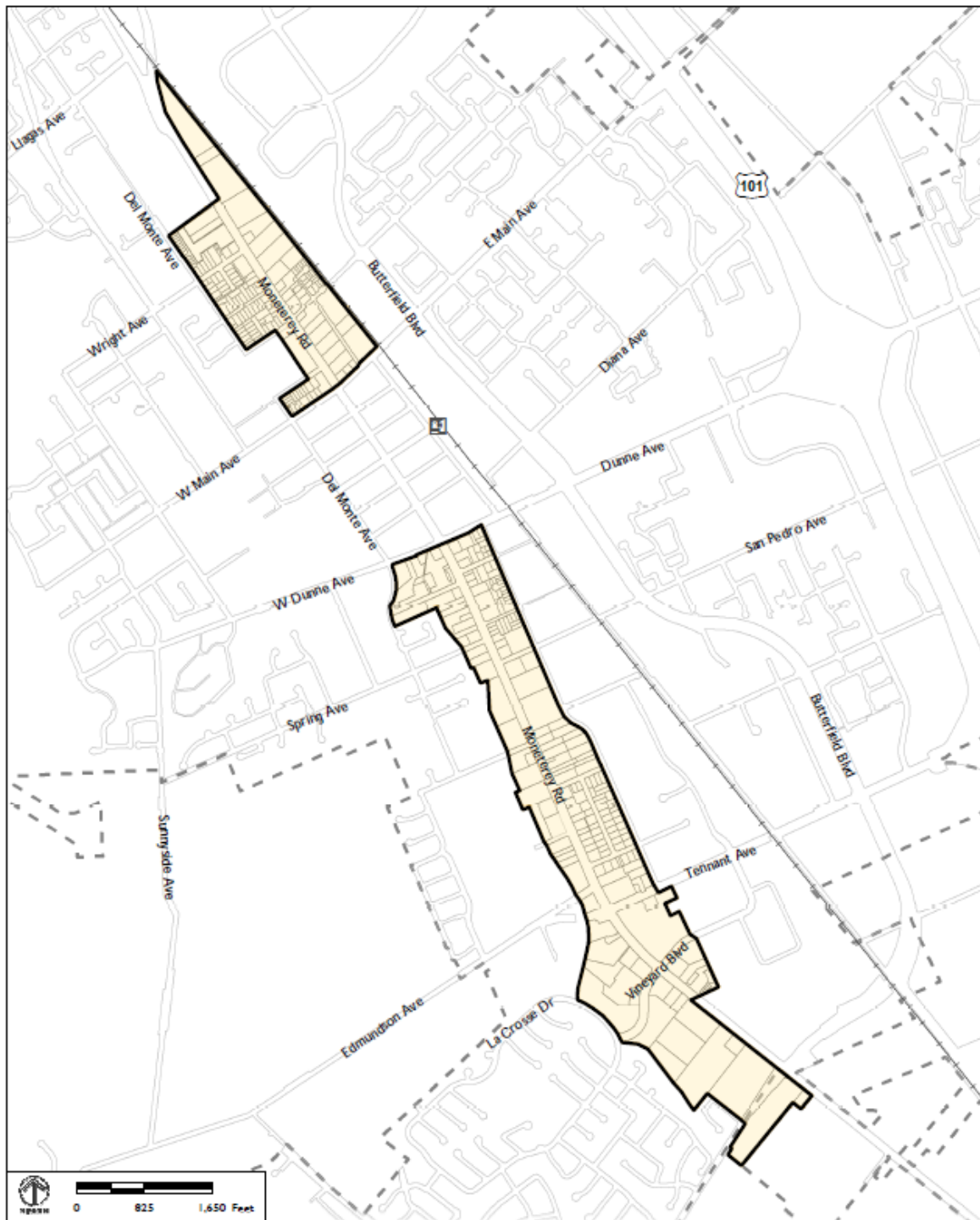
Criteria 2-B: Infill Corridors

Standard: The project is located in an infill corridor as shown in Figure 2.

Points: 10 points for projects located in the Monterey Road infill corridor.

Total Available Points: 10

FIGURE 2: INFILL CORRIDORS



Source: City of Morgan Hill, 2017; Placeworks, 2017.

Criteria 2-C: Adjacent to Development

Standard: The project is adjacent to land that is developed, utilized to its ultimate potential, or that requires no further discretionary approvals for development.

Points: See Table 7.

TABLE 7: POINTS FOR ADJACENT TO DEVELOPMENT

Percent of Project Boundary Adjacent to Existing Development	Points
25% to less than 50%	2
50% to less than 75%	3
75% to 100%	5

Total Available Points: 5

Scoring Instructions: A project boundary is adjacent to existing development if the project boundary abuts the property line of the adjacent development or is across a street from the existing development. Existing development means the following:

- Property in Morgan Hill's city limits with at least 95 percent of its contiguous land area developed or utilized to its ultimate potential use according to the General Plan or applicable zoning.
- Land in unincorporated Santa Clara County owned or under control (i.e., permanent easement) of a public agency that is developed or utilized to its ultimate potential use according to the County's General Plan or applicable zoning.
- Privately owned, non-agricultural (designated Rural County or greater) land in unincorporated Santa Clara County that is utilized to its ultimate potential according to the City's General Plan.
- Undeveloped property which by RDCS Application submittal deadline of the competition year has received final map approval, tentative map and development agreement approval for projects with previously completed phase(s), or for which building permits have been issued.

Criteria 2-D: Proximity to Daily Needs

Standard: The project is within walking distance of non-residential land uses that meet residents' daily needs.

Points: See Table 8.

TABLE 8: POINTS AVAILABLE FOR PROXIMITY TO DAILY NEEDS

Project Distance from Two or More Different Land Use Categories	Points
Within three-quarters mile	1
Within one-half mile	3
Within one-quarter mile	5

Total Available Points: 5

Scoring Instructions: Land use categories are as follows:

1. Community-serving retail, such as a supermarket, pharmacy, or convenience store.
2. Restaurants and cafes.
3. Personal services, such as bank, salons, and medical offices.
4. Public and quasi-public uses such as places of worship; community centers; and parks, trails and recreational facilities.
5. An existing or planned bus or rail transit stop or station.

A single establishment may not be counted in two categories (e.g., retail establishment may be counted only once even if it also contains a café). Establishments in a mixed-use building may each count if they are distinctly operated enterprises with separate exterior entrances. No more than two of the minimum number of land use categories can be situated in a single building or under a common roof.

The distance to a land use category is measured as the lineal distance a pedestrian would walk, from the average center point of housing in a project to the nearest entrance point of the land use category.

Criteria 2-E: Proximity to Emergency Services

Standard: The project is located within the established response time for emergency services.

Points: See Table 9.

TABLE 9: POINTS AVAILABLE FOR PROXIMITY TO EMERGENCY SERVICES

Standard	Points
The project is located within the established response time of the police station	2
The project is located within 5 minutes of one fire station	1
The project is located within 6 minutes of two fire stations	2
The project is located within 8 minutes of three fire stations	3

Total Available Points: 5

Scoring Instructions: Determinations of whether a project is located within an established response time and eligible for points within these criteria shall be made by the Community Development Director in consultations with the City of Morgan Hill Police and Fire Departments.

Three fire stations serve Morgan Hill: the El Toro Fire Station (18300 Old Monterey Road) the Dunne Hill Fire Station, (2100 E. Dunne Avenue), and the CAL FIRE station (15670 Monterey Road).

The Morgan Hill Police Department headquarters is located at 16200 Vineyard Boulevard. The Police Department's aims to respond to Priority One calls within 5 minutes and Priority Two calls within 8 minutes.

Criteria 2-F: Areas with Public Utility Capacity

Standard: The project is located in areas with sufficient public utility capacity to serve the project.

Points: See Table 10.

TABLE 10: POINTS FOR PROXIMITY TO MUNICIPAL SERVICES AND FACILITIES

Standard	Points
Local water distribution lines are of sufficient size to serve the proposed project. The project does not require replacing existing local water distribution lines with larger diameter pipes. New water mains to serve the site do not need to be installed.	2
The existing wastewater collection system is sufficient to serve the proposed project. The project does not require extending or replacing existing sewer pipes or lift stations outside of the project site.	2
Existing off-site storm drainage facilities are sufficient to serve the project.	1

Total Available Points: 5

3. AFFORDABLE HOUSING

Intent: Increase the supply of affordable housing in Morgan Hill in the extremely low income (0-30% Area Median Income), very low income (30-50% Area Median Income), and the moderate category (81-120% Area Median Income).

The City is in its 5th Regional Housing Needs Allocation (RHNA) Housing Element Cycle. The current Housing Element “cycle” is for Housing Element Planning Period: January 31, 2015 to January 31, 2023. The City’s Housing Element is in compliance until January 31, 2023. Permits issued on or before December 31, 2022 will be included in this reporting period. The California Department of Housing and Community Development (HCD) publishes official State maximum income limits which are based on surveys of local area AMI. The commonly used income categories for households in Santa Clara County are subject to variations for household size and other factors.

“**AMI**” means Area Median Income for Santa Clara County as established by the U.S. Department of Housing and Urban Development (HUD)

Santa Clara County AMI: The 2018 Median Income for a family of four in Santa Clara County is \$125,200, adjusted by household size.

HCD Income Limits (Published April 26, 2018)

Source: <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/inc2k18.pdf>.

# of Persons in the Household	1	2	3	4	5	6	7	8
Extremely Low	27,950	31,950	35,950	39,900	43,100	46,300	49,500	52,700
Very Low	46,550	53,200	59,850	66,500	71,850	77,150	82,500	87,800
Lower	66,150	75,600	85,050	94,450	102,050	109,600	117,150	124,700
Median	87,650	100,150	112,700	125,200	135,200	145,250	155,250	165,250
Moderate	105,200	120,200	135,250	150,250	162,250	174,300	186,300	198,350

Points Available: See Table 11.

TABLE 11: AFFORDABLE HOUSING POINTS AVAILABLE

Criteria	Points Available	
3-A: Affordable Housing Fund Contribution	30	
3-B: Development of Affordable Units	34	
Total	64	34 Maximum

Minimum Score: 18 (for-sale projects) and 10 (rental projects)

***Unlike other objectives, projects must receive a minimum score in the Affordable Housing Objective to be eligible for allotments.** The minimum score is 18 points for projects where individual units will be sold to buyers (for-sale projects) and 10 points for projects where individual units will be occupied by renters (rental projects).

Criteria 3-A: Affordable Housing Fund Contribution

Standard: The project makes a voluntary contribution to the City's affordable housing fund.

Points: 30

TABLE 12: POINTS FOR CONTRIBUTION TO AFFORDABLE HOUSING FUND

Contribution to Affordable Housing Fund	Points
20% of baseline contribution	2
30% of baseline contribution	4
40% of baseline contribution	6
50% of baseline contribution	8
60% of baseline contribution	9
70% of baseline contribution	10
80% of baseline contribution	11
90% of baseline contribution	12
Baseline contribution	18
1% above baseline contribution	20
2% above baseline contribution	22
3% above baseline contribution	24
4% above baseline contribution	26
5% above baseline contribution	30

Total Available Points: 30

Scoring Instructions: Points shall be awarded consistent with the City of Morgan Hill's Inclusionary Housing Ordinance. A project may receive points for incorporating BMR units within the project and for contributing to the City's Affordable Housing Fund provided the total number of combined points awarded from both Criteria 3-A and 3-B does not exceed 34.

Criteria 3-B: Development of Affordable Units

Standard: The project incorporates below market rate (BMR) units within the project for a mixed income community.

Points: See Tables 13, 14, 15, 16, 17 and 18 .

TABLE 13: POINTS FOR DEVELOPMENT OF AFFORDABLE UNITS, MARKET RATE FOR-SALE PROJECTS

Percent of Total Project Units available at an affordable AMI level (to be included in State HCD annual report)			Points
Total	81% AMI Moderate	90% - 120% AMI Moderate (see scoring instructions)	
15%	6%	9%	20
15%	7%	8%	22
15%	8%	7%	26
15%	9%	6%	30
15%	10%	5%	34

Project Scoring Example: A proposed project contains 56 units. The project provides 15% of the total units within the project as affordable, 6% of the project at the 81% AMI moderate level, and 9% percent of the project at the 90%-120% moderate level for a total of 15%. The project would receive 20 points for providing 8.4 affordable units within the project.

TABLE 14: POINTS FOR DEVELOPMENT OF AFFORDABLE UNITS, 100 PERCENT AFFORDABLE FOR-SALE PROJECTS

100% Affordable For-Sale Projects with various Moderate affordability levels within the project					Points
	81% AMI Moderate	90% AMI Moderate	100% AMI Moderate	120% AMI Moderate	
100% Affordable	25%	25%	25%	25%	26
100% Affordable	30%	24%	23%	23%	28
100% Affordable	35%	22%	22%	21%	32
100% Affordable	40%	20%	20%	20%	34

TABLE 15: POINTS FOR DEVELOPMENT OF DEED RESTRICTED AFFORDABLE RENTAL UNITS, MARKET RATE PROJECTS

	Percent of Total Project Units			Points
Total	30% AMI ELI	50% AMI VLI	51-80% AMI LI	
15%	4%	4%	7%	20
15%	5%	5%	5%	26
15%	6%	5%	4%	30
15%	6%	6%	3%	34

TABLE 16: POINTS FOR DEVELOPMENT OF AFFORDABLE UNITS, 100 PERCENT AFFORDABLE RENTAL PROJECTS

	Percent of Total Project Units			Points
Total	30% AMI ELI	50% AMI VLI	80% AMI LI	
100%	20%	45%	35%	22
100%	30%	40%	30%	26
100%	40%	35%	25%	30
100%	50%	30%	20%	34

Table 17: POINTS FOR DEVELOPMENT OF DEED RESTRICTED FOR-SALE AFFORDABLE UNITS (DOWNTOWN PROJECTS)

	Percent of Total Project Units		Points
Total	81% AMI Moderate	90-120% AMI Moderate	
10%	3%	7%	18
10%	4%	6%	26
10%	5%	5%	30
10%	6%	4%	34

TABLE 18: POINTS FOR DEVELOPMENT OF DEED RESTRICTED RENTAL AFFORDABLE UNITS (DOWNTOWN PROJECTS)

	Percent of Total Project Units		Points
Total	50% AMI VLI	51-80% AMI LI	
10%	5%	5%	18
10%	6%	4%	26
10%	7%	3%	30
10%	8%	2%	34

Total Available Points: 34

Scoring Instructions: Points shall be awarded and monitored consistent with the City of Morgan Hill's Below Market Rate Housing Program policies and procedures. When a calculation produces a fraction of

a unit less than one-half, the applicant shall pay the corresponding fraction of the standard housing fee. A fraction of one-half or greater requires one additional BMR unit. If a project receives the maximum 34 points for constructing BMR units and pays the corresponding fraction of the standard housing fee, the project does not receive additional points for the fractional housing fee. A project with 12 units or more receiving points for incorporating BMR units within the project may also receive points for contributing to the City's affordable housing fund from Criteria 3-A provided the total number of combined points awarded from both Criteria 3-A and 3-B does not exceed 34.

For market rate for-sale or rental projects (Tables 13, 15, 17 and 18) to be eligible for points, BMR units must comply with the City Council approved BMR unit policies.

4. HOUSING DIVERSITY

Intent: Encourage a diverse housing stock in Morgan Hill.

Points Available: See Table 19.

TABLE 19: HOUSING DIVERSITY POINTS AVAILABLE

Criteria	Points Available	
4-A: Accessory Dwelling Units	6	
4-B: Diversity of Housing Types	12	
4-C: Variation in Housing Size	12	
4-D: Small Units	12	
4-E: Housing Stock Diversity	8	
4-F: Single-Story Homes	4	
Total	54	23 Maximum

Criteria 4-A: Accessory Dwelling Units

Standard: The project incorporates accessory dwelling units on lots with detached single-family homes.

Points: See Table 20.

TABLE 20: POINTS FOR ACCESSORY DWELLING UNITS

Percentage of Detached Single-Family Lots with Accessory Dwelling Units	Points
10 to 20 percent	2
21 to 30 percent	4
More than 30 percent	6

Total Available Points: 6

Scoring Instructions: Accessory dwelling units are secondary dwelling units located on a lot occupied by a detached single-family dwelling. Accessory dwelling units must be a permanent structure and include provisions for living, sleeping, eating, cooking, and sanitation and have a private entry accessed from the exterior of the building. Accessory dwelling units may be either detached from or attached to the primary dwelling on the lot. To be eligible for points, accessory dwelling units must comply with development standards for new secondary units in Chapter 18.55 (Secondary Dwelling Units) in the Zoning Code.

Scoring Example: A project contains 10 single-family detached homes and 10 single-family attached (townhome) units. Two of the detached single-family homes feature an accessory dwelling unit on the

same lot. The project would receive 2 points as twenty percent of the detached single-family lots contain accessory dwelling units.

Criteria 4-B: Diversity of Housing Types

Standard: The project contains a diversity of housing types.

Points: See Table 21 and 22.

TABLE 21: POINTS AVAILABLE FOR DIVERSITY OF HOUSING TYPES FOR PROJECTS WITH 16 OR MORE UNITS.

Number of Different Housing Types in the Project	Points
2	4
3	8

TABLE 22: POINTS AVAILABLE FOR DIVERSITY OF HOUSING TYPES FOR PROJECTS WITH UP TO 15 UNITS.

Number of Different Housing Types in the Project	Points
2	8
3	12

Total Available Points: 8 for projects with 16 or more units. 12 for projects with up to 15 units.

Scoring Instructions: To be eligible for points, a housing type must constitute at least 10 percent of total number of units in the project. Different housing types are defined as follows:

1. **Multiple-Story Detached Single-Family Home.** A detached building that contains one single-family dwelling with two or more stories of living space.
2. **Single-Story Detached Single-Family Home.** A detached building that contains one single-family dwelling with one story of living space.
3. **Accessory Dwelling Unit.** A self-contained living unit, either attached to or detached from, and in addition to, the primary residential unit on the parcel.
4. **Single-Family Attached.** Three or more single-family dwelling units connected by common walls along the side property lines, sometimes called a townhouse or row house. Excludes “duplexes” and “duets.”
5. **Courtyard Housing.** Detached or attached single-family homes with unit entrances oriented toward a shared common area/communal courtyard (and not an interior corridor or street).
6. **Custom Lots.** Lots left undeveloped for future development by the lot buyer.
7. **Duet.** A residential structure that contains two independent dwelling units, each with its own entrance that are separated by a property line along a shared building wall with each unit located on a separate lot.
8. **Duplex.** A single residential structure on one lot that contains two independent dwelling units, each with its own entrance.

9. **Townhouse.** A series of three or more adjacent single-family dwelling units, each on an independent parcel, which are connected by common walls along the side property lines.
10. **Triplex or Quadplex.** A single residential structure that contains three or four dwelling units, with each unit having its own entrance.
11. **Multi-Family.** A building that contains three or more dwelling units, with each unit providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation. Includes multi-family senior housing limited to occupancy by persons 55 years of age or older for residents who are independent and do not require assistance with everyday living ("independent living").
12. **Mixed Use Residential.** A development project with both residential and commercial/office uses which are either 1) located together in a single building; or 2) in separate buildings on a single site of one or more contiguous properties.

A unit may qualify as only one housing type even if it meets the definition for two or more housing types. For example, a single-story detached single-family home oriented towards a shared common area may qualify only as courtyard housing (housing type number 5 above), not courtyard housing and single-story detached single-family home (housing type number 2 above).

Scoring Examples: A 100-unit project with 90 detached single-family homes and 10 townhome units would receive six points as both the detached single-family homes and townhome units constitute 10 percent or more of the total project units. A 100-unit project with 50 detached single-family homes, 25 duplex units, 25 townhome units, and 25 single-story detached single-family homes would receive 12 points as the three housing types each constitute 10 percent or more of the total project units.

Criteria 4-C: Variation in Housing Size

Standard: The project includes a diversity of housing sizes.

Points: See Tables 23 and 24.

TABLE 23: POINTS AVAILABLE FOR DIVERSITY OF HOUSING SIZE FOR PROJECTS WITH 16 OR MORE UNITS.

Number of Different Housing Size Categories in the Project	Points
2	3
3	6
4	8

TABLE 24: POINTS AVAILABLE FOR DIVERSITY OF HOUSING SIZE FOR PROJECTS WITH UP TO 15 UNITS.

Number of Different Housing Size Categories in the Project	Points
2	6
3	9

4	12
---	----

Total Available Points: 8 for projects with 16 or more units. 12 for projects with up to 15 units.

Scoring Instructions: Diversity of housing types is calculated by determining the percent of units that are in two or more housing size categories. Housing size categories for multi-family projects is based on the number of bedrooms. For all other housing types housing size categories are based on square footage of the unit. To be eligible for points, the number of units in a housing size category must constitute at least 10 percent of total number of units in the project.

Housing size categories for multi-family housing types are as follows:

1. Studio apartment
2. One-bedroom
3. Two-bedroom
4. Three-bedroom
5. Four-bedroom or more

For all other housing types (single-family detached, duplex, etc.) and for projects with both multi-family units and other housing types, a project shall be considered to have two or more different size categories only if there is a minimum 35 percent variation between the smallest and largest floor plan the project. In such a case, every floor plan that varies in size from another floor plan by 200 square feet or more shall be considered a different housing size category.

Scoring Example: A proposed project contains ten detached single-family homes with two different floor plans. The smaller floor plan is 2,000 square feet and the larger floor plan is 3,000 square feet. The project would receive six points because there is 50 percent variation in size between the smallest and largest floor plans and more than 200 feet in variation between the two floor plans.

Criteria 4-D: Small Units

Standard: The project includes small dwelling units.

Points: See Table 25.

TABLE 25: POINTS AVAILABLE FOR SMALL UNITS

Percent Small Units	Points
10	4
20	6
30	8
40	10
50 or more	12

Total Available Points: 12

Scoring Instructions: Small units are defined as follows:

- **Detached Single-Family Home:** Less than 1,700 square feet
- **Single-Family Attached:** Less than 1,500 square feet
- **Duplex or Duet:** Less than 1,500 square feet
- **Triplex or Quadplex:** Less than 1,250 square feet
- **Multi-Family:** Less than 1,000 square feet (rental); 1,200 square feet (ownership)

Unit square footage means total livable building area excluding garages. Unit type definitions are the same as in Criteria 4-B.

Scoring Example: A 100-unit project with 10 detached single-family homes less than 1,700 square feet would receive 4 points. A 100-unit project with 10 detached single-family homes less than 1,700 square feet and 10 duplex units less than 1,250 square feet would receive 8 points.

Criteria 4-E: Housing Stock Diversity

Standard: The project adds housing types that are underrepresented in Morgan Hill's citywide housing stock.

Points: See Table 26.

TABLE 26: POINTS AVAILABLE FOR HOUSING STOCK DIVERSITY

Housing Type	Points
Courtyard Housing	4
Multi-Family Owner Occupied	6
Market-rate Senior	8
Multi-Family Rental	8
Vertical Mixed Use (owner-occupied or rental)	8

Total Available Points: 8

Scoring Instructions: Unit type definitions are the same as in Criteria 4-B. To be eligible for points, the housing type must constitute 75 percent or more of the total project housing units.

Scoring Example: A 100-unit project with 25 detached single-family homes and 75 townhomes would receive 4 points. A 100-unit project with 40 detached single-family homes and 60 townhomes would not receive any points within this criteria, but may be eligible for points within Criteria 4-B.

Criteria 4-F: Single-Story Homes

Standard: The project includes single-story single-family homes.

Points: See Table 27.

TABLE 27: POINTS FOR SINGLE-STORY SINGLE-FAMILY HOMES

Percentage of Single-Story Single-Family Homes	Points
25 percent	1
50 percent	2
75 percent	3
100 percent	4

Total Available Points: 4

Scoring Instructions: Percentage is calculated by dividing the number of single-story single-family homes in the project by the total number of units (regardless of type) within the project. A story is defined in accordance with Zoning Code Section 18.04.415 (Story).

Scoring Example: A 100-unit project that includes 50 single-story detached single-family homes would receive 2 points. If all units within the project are single-story detached single-family homes, the project would receive 4 points.

5. PARKS AND OPEN SPACE

Intent: Provide high quality parks and recreational facilities, encourage publicly accessible outdoor amenities, and preserve open space and agricultural land.

Points Available: See Table 28.

TABLE 28: PARKS AND OPEN SPACE POINTS AVAILABLE

Criteria	Points Available	
5-A: Park Fund Contribution	6	
5-B: Excess Park Land	5	
5-C: Agriculture Conservation or Open Space Easement	12	
5-D: Agriculture Buffer	4	
5-E: Agriculture Preservation or OS Fund Contribution	9	
5-F: On-Site Recreational Amenities	8	
5-G: Amenities for All Age Groups	2	
5-H: Public Gathering Places	3	
5-I: Proximity to Public Park	3	
5-J: Open Space Design and Outdoor Amenities	10	
Total	62	29 Maximum

Criteria 5-A: Park Fund Contribution

Standard: The project contributes to the City's park fund beyond the minimum requirement.

Points: 1 points for every \$1,000 contributed per unit.

Total Available Points: 6

Scoring Instructions: To be eligible for points, the project must contribute funds in addition to the minimum required park impact fee and fees in lieu of park land dedication. Contributed funds may be used by the City to fund acquisition and maintenance of parks.

The required park impact fee is identified in the current City of Morgan Hill Fee Schedule as adopted by the City Council. Minimum requirements for payment of fees in lieu of park land dedication is established in Chapter 17.28 (Land Dedications and Reservations) in Title 17 (Subdivisions) of the Morgan Hill Municipal Code. The Community Development Director shall estimate the minimum park land dedication in-lieu fee for competing projects using the standards and formula in Chapter 17.28 (Land Dedications and Reservations). Minimum in-lieu fee estimates are prepared only for the purpose of awarding points for

the RDCS competition. Actual in-lieu fee requirements will be determined at the time of subdivision approval and may be different from these estimates.

Criteria 5-B: Excess Park Land

Standard: The project provides land for parks beyond the minimum City park land requirement.

Points: See Table 29.

TABLE 29: POINTS FOR EXCESS PARK LAND

	Points
Park Land Provided in Excess of Minimum City Requirement	16 or more units
10%	1
20%	2
30%	3
40%	4
50%	5

*Includes custom lot projects

Total Available Points: 5

Small and Micro Projects: Projects with up to 15 units, including custom lot projects, shall automatically receive 5 points within Criteria 5-B without dedicating any park land.

Scoring Instructions: Minimum park land dedication and private park requirements are in Chapter 17.28 (Land Dedications and Reservations) in Title 17 (Subdivisions) of the Morgan Hill Municipal Code. The Community Development Director shall estimate the minimum required park land for competing projects using the standards and formula in Section 17.28.060 (Acreage Required – Formula).

Minimum park land estimates are prepared only for the purpose of awarding points for the RDCS competition. Actual dedication requirements will be determined at the time of subdivision approval and may be different from these estimates.

To be eligible for points within this criteria, projects must comply with the following requirements:

- Park land must be either a) within the project boundaries; or a) adjacent to the project boundaries and owned or controlled by the project applicant.
- Land for parks shall be consistent with the City of Morgan Hill Parks, Facilities & Recreation Program Master Plan, the General Plan, and any other adopted City policy or ordinance concerning park and recreational facilities.
- Either: a) Dedicated park land shall be deeded to the City for public park purposes, or b) Private park land for use by residents shall be maintained by the home owners' association or other similar maintenance entity.

- The calculation of park land may not include yards, court areas, setbacks and other open areas required by the Zoning Code, Building Code, or other City ordinances. Points may not be awarded to passive open space or landscape buffer areas deeded to a homeowners' association.

Project Scoring Example: Section 17.28.060 (Acreage Required – Formula) of the Subdivision Ordinance states that 0.01 acres of land per dwelling unit shall be provided as a park in a single-family subdivision. Assuming a 100-unit single-family subdivision, the minimum required dedication of park land would be 1.0 acres. Providing 1.5 acres of park land would exceed the minimum requirement by 50 percent and would receive 5 points.

Criteria 5-C: Agriculture Conservation or Open Space Easement

Standard: The project establishes an agriculture conservation easement consistent with the City's agriculture conservation easement policy or an open space easement.

Points: 12 points

Table 30: Points for Easements Type of Easement	Points
Agricultural Conservation – Proposed easement is at least as large as the proposed project and is at least ten acres in size when combined with other adjacent land that is used for agricultural purposes	12
Agricultural Conservation – Proposed easement is at least as large as 75% of the proposed project and is at least ten acres in size when combined with other adjacent land that is used for agricultural purposes	9
Agricultural Conservation – Proposed easement is at least as large as 50% of the proposed project and is at least five acres in size when combined with other adjacent land that is used for agricultural purposes	6
Agricultural Conservation – Proposed easement is at least as large as 25% of the proposed project and is at least five acres in size when combined with other adjacent land that is used for agricultural purposes	3
Open Space– Proposed easement is at least as large as the proposed project	9
Open Space– Proposed easement is at least 75% as large as the proposed project	6

Open Space– Proposed easement is at least 50% as large as the proposed project	3
--	---

Total Available Points: 12

Scoring Instructions: Points may be awarded for projects that establish one of the following: an agricultural conservation easement or an open space easement. Points are awarded only for one type of easement. A project may not receive points for establishing a second or third type of easement on the property unless the proposed easement is exclusively preserving land that is not otherwise preserved by an existing easement.

Agricultural Conservation Easement

Establishment of an agricultural conservation easement shall occur in a manner consistent with Municipal Code Chapter 18.85 (Agricultural Lands Preservation Program). If a project is required to establish an agricultural conservation easement to mitigate the loss of agricultural land pursuant to Chapter 18.85, points may be awarded only for establishing an agriculture conservation easement beyond the minimum 1:1 mitigation ratio required by Chapter 18.85.

To be eligible for points, an agricultural conservation easement must be established within the Morgan Hill Sphere of Influence (SOI) and accepted by a land conservation entity or agency. The property subject to the easement must be of adequate size, configuration, and location to be viable for continued agricultural use and must meet the criteria for “eligible mitigation lands” as established in Municipal Code Section 18.85.090 (Eligible Mitigation Lands). Proposed conservation easement sites not adjacent to agricultural lands that are already permanently protected by an agricultural conservation easement shall be a minimum of ten acres. Proposed conservation easements adjacent to lands that are already permanently protected by an agricultural conservation easement shall be at least as large as the proposed project as long as the aggregate sum is at least 10 acres.

Open Space Easement

To be eligible for points, an open space easement must be established within the Morgan Hill Sphere of Influence (SOI). The property subject to the easement must be of adequate size, configuration, and location to protect and/or preserve open space and natural resources as identified in the General Plan. Natural resources include but are not limited to agricultural lands, undeveloped open space, scenic hillsides, habitat for sensitive species, and riparian areas and aquatic habitat as defined in the General Plan Natural Resources and Environment Element. Open space easements must be appropriately sized and located in order to enable the City to determine the easement appreciably preserves open space or protects natural resources. Land that is required to be set-aside for other reasons, such as project mitigation measure and required setbacks shall not be eligible to be counted as an open space easement or for points.

Project Scoring Example: A proposed project that converts five acres of agriculture land to non-agricultural use proposes the establishment of a five-acre agricultural conservation easement on agricultural land within the SOI to satisfy the agricultural mitigation requirement in Municipal Code Chapter 18.85. If the project establishes an additional ten-acre agricultural conservation easement on a property separate from the easement land used for mitigation, the project would receive 12 points. These points would only be awarded if the additional easement was at least five acres, if it is contiguous to existing agricultural lands, or ten acres, if it is not contiguous to permanently preserved agricultural lands.

Criteria 5-D: Agriculture Buffer

Standard: The project establishes an agriculture buffer easement.

Points: 4

Scoring Instructions. To be eligible for points, a project shall establish an open space easement to provide a buffer between active agricultural operations that are adjacent to the proposed project and new development. To receive points, the City must determine that the agriculture buffer easement is needed in order to preserve the viability of the active agricultural operations and that the size and configuration of the buffer is adequate to minimize future conflicts between the new residential use and the existing agricultural operation.

Criteria 5-E: Agriculture Preservation or Open Space Fund Contribution

Standard: The project contributes to the City's agriculture preservation or open space fund beyond the minimum requirement.

Points: See Table 31.

TABLE 31: POINTS FOR AGRICULTURE PRESERVATION OR OPEN SPACE FUND CONTRIBUTION

Contribution Amount	Points
Single: \$4,117.43 per unit*	4
Double: \$8,234.86 per unit*	9

* Adjusts annually.

Total Available Points: 9

Scoring Instructions: Contribution to the City's agriculture preservation fund shall occur in a manner consistent with Municipal Code Chapter 18.85 (Agricultural Lands Preservation Program). If a project is required to pay an agricultural preservation in-lieu fee to mitigate the loss of agricultural land pursuant to Chapter 18.85, points may be awarded only for the amount of the contribution to the City's agriculture preservation fund in that exceeds the required in-lieu fee.

Project Scoring Example: A 10-unit project that converts one acre of agricultural land pays an in-lieu mitigation fee of \$14,960 to satisfy the minimum requirement in Chapter 18.85. If the project contributes an additional \$38,990.90 beyond the required mitigation fee, the project would receive 4 points.

Criteria 5-F: On-Site Recreational Amenities

Standard: The project provides on-site recreational amenities to serve residents.

Points: See Table 32. Points identified in Table 24 are for each individual amenity included in the project.

Total points. Total points awarded to a project within this criteria will be the sum of points for each individual amenity up to a maximum of eight points.

TABLE 32: POINTS FOR ON-SITE RECREATIONAL AMENITIES

	Points for Each Amenity Provided			
Project Size	Tier 1	Tier 2	Tier 3	Tier 4
1 to 15 units	6	8		
16 to 50 units	2	3	4	-
51-100 units	1	2	3	4
101-150 units	0	1	2	3
151+ units	0	0	1	2
201+ units	0	0	1	1

Recreational amenities eligible for points are divided into the four tiers as follows:

Tier 1 amenities:

- Shuffleboard
- Horseshoes
- Bowling green w/artificial turf
- Passive recreation area and/or gardens
- Passive water feature (e.g., fountain)
- Picnic/barbeque area

Tier 2 amenities:

- Cabana or shade trellis area
- Two picnic/barbeque areas
- Clubhouse
- Volleyball court and/or Bocce ball court
- Outdoor racquetball/handball tilt-up wall
- Dog Park (add one point more with dog wash station)
- Sauna and/or Jacuzzi
- Tree grove as approved by the community development director or designated staff.

- Community garden plots (minimum one forty-eight-square-foot plot per each ten dwelling units) with water service
- ½ court basketball (one hoop)
- Bridle paths
- Bocce ball
- Artificial turf putting green
- Tot lots (age appropriate play equipment/minimum three activities; can be integrated in structure)

Tier 3 amenities:

- Softball field
- Sports court and/or 2 1/2-court basketball courts (two hoops)
- Restroom area
- ½ scale soccer field
- Tot lots (age appropriate play equipment/minimum five activities; can be integrated in structure)
- Jacuzzi and separate child wading pool (for projects between twenty and fifty units zoned R-2, R-3 or higher density development)
- Tennis court
- Recreation hall
- Exercise room
- Clubhouse w/ kitchen

Tier 4 amenities:

- Swimming pool (for projects of fifty-one or more units zoned R-2, R-3 or higher density development)

Small and Micro Projects: Projects with up to 15 units with no usable common open space or shared recreational amenities, including custom lot projects, shall automatically receive 8 points within Criteria 5-F without providing on-site recreational amenities.

Scoring Instructions: Points awarded are based on the number and type of recreational amenities for different project sizes as shown in Table 30. Projects with 50 or fewer units may receive points for a maximum of one Tier 1 amenity. Projects with 50 to 150 units may receive points only for Tier 2, 3 and 4 amenities. To be eligible for points, projects with more than 150 units must provide at least two Tier 3 or Tier 4 amenities. For a project of more than 150 units, two Tier 2 amenities may count as one Tier 3 amenity if the project provides at least one Tier 3 amenity. Projects with between 201 and 300 units must provide two Tier 3 amenities before two Tier 2 amenities may be counted as one Tier 3 amenity. Projects over 300 units must provide three Tier 3 amenities before two Tier 2 amenities may be counted as one Tier 3 amenity.

The Planning Commission may award points for unlisted amenities that provide recreational amenities to a level similar to those described above.

Total Available Points: 8

Project Scoring Example: A 25-unit project includes common open space with shuffleboard court, horseshoe area, and a volleyball court. The project would receive a total of four points with one point awarded for the shuffleboard court, one point for the horseshoe area, and two points for the volleyball court.

Criteria 5-G: Amenities for Age Groups

Standard: The project provides on-site social and recreational amenities for various age groups.

Points: 2

Total Available Points: 1 or 2 (two age groups = 1; all age groups =2)

Scoring Instructions: To be eligible for points, a project must provide on-site social and recreational amenities exclusively designed to meet the unique needs of all age groups, including children, teens, adults, and seniors. Each proposed amenity can only be counted for one age group. Examples of amenities appropriate for different age groups include the following:

- **Children:** tot lots, children's wading pool
- **Teens:** Outdoor spaces for socializing, recreational equipment that provides physical challenge (e.g., skate park), indoor recreational amenities (pool tables, table tennis) that are highly attractive to teens
- **Adults:** Indoor gym, outdoor picnic/barbecue area
- **Seniors:** Walking paths, low-impact outdoor exercise equipment designed for seniors ("senior playgrounds")

Criteria 5-H: Public Gathering Places

Standard: The project provides publicly accessible outdoor gathering places and open space in higher density and more urban settings.

Points: 1 point per \$1,000 value of amenity per unit.

Total Available Points: 3

Scoring Instructions: To be eligible for points, a project must provide one or more outdoor public gathering places such as plazas, courtyards, and parks that exceed minimum City requirements. Points awarded for the criteria are primarily intended for projects located Downtown and in other higher intensity areas with pedestrian activity originating outside of the proposed development. To receive points, the public gathering place shall be open for use by the general public and must comply with the following standards:

- **Location:** The public gathering places space must be located close to pedestrian activity, along streets, or where pathways intersect. Open spaces must support an integrated pedestrian network by providing on-site and off-site connections to the open space.
- **Activity:** For public gathering places incorporated into mixed use development with ground commercial uses, the proposed public gathering place must be located along the edge of active ground-floor uses (e.g., retail or restaurants).
- **Visibility and Access:** Plazas, courtyards, and other similar spaces must open to public sidewalks and building entrances to provide visibility and access opportunities along project frontages.
- **Seating:** Usable open spaces must include well-designed seating, such as seat walls, free-standing elements, fixed and moveable seating, and other seating options.
- **Year-Round Use:** Open space must be usable year-round with features such as awnings, wind breaks, and sun shades, umbrellas, or other similar features that provide shelter from the elements.

Criteria 5-I: Proximity to Public Parks

Standard: The project is within walking distance of a public park or recreational facility.

Points: See Table 33.

TABLE 33: POINTS AVAILABLE FOR PROXIMITY TO PUBLIC PARKS

Project Distance from Public Park	Points
Within three-quarters mile	1
Within one-half mile	2
Within one-quarter mile	3

Total Available Points: 3

Scoring Instructions: To be eligible for points, the project must be located within walking distance of an existing City of Morgan Hill or Santa Clara County park with recreational amenities available for public use without charge. The distance to the park is measured as the lineal distance a pedestrian would walk, from the average center point of housing in a project to the nearest entrance point of the park.

Criteria 5-J: Open Space Design and Outdoor Amenities

Standard: The project provides common open space and outdoor amenities that enhance project residents' quality of life and the overall project design quality.

Points: See Table 34.

TABLE 34: POINTS FOR OPEN SPACE

Open Space	Points
1. Outdoor Rooms. The project designs open spaces to function as “outdoor rooms” for common use of project residents. As outdoor rooms, open spaces feature amenities such as seating areas and shade structures to create inviting places that encourage resident activity and interaction.	1
2. Size. The project provides common open space areas of sufficient size for the use and enjoyment of residents. The project does not fulfill its minimum common open space requirement primarily through small patches of unconnected open space areas which individually are of insufficient size to serve as a useful recreational amenity for residents.	1
3. Visibility. The project locates open space area so that they can be viewed from individual units, preferably from the kitchen, living room, or dining room.	2
4. Adjacent Units. The project maximizes the number of units that are immediately adjacent to common open space. Units not immediately adjacent to common open space can access open space areas through pedestrian connections separate from drive aisles and vehicle parking lots.	2
5. Existing Trees. The project retains existing native trees on the property which, if removed, would require a tree removal permit in accordance with Municipal Code Chapter 12.32 (Restrictions on Removal of Significant Trees).	1
6. Rear Yard Open Space. For detached single family and duplex/duet projects, private rear-yard usable open space is 25 percent, or more than the minimum rear setback area required by the applicable zoning. or	2
7. Backyard Improvements. Finished (e.g., landscape, hardscape, irrigation) private backyard improvements are installed by the developer.	2
8. Private Open Space - Attached Projects. For attached projects, usable private open space for ground floor units is 25 percent or more than required by the applicable zoning and finished private open space improvements are installed by the developer.	3

Total Available Points: 10

Small and Micro Projects: Projects with up to 15 units, including custom lot projects, with no common open space, shall automatically receive 6 points within Criteria 5-J and can obtain additional points, up to the total maximum of ten, by installing the noted improvements in private open space areas.

6. ENVIRONMENTAL PROTECTION

Intent: Encourage protection of natural resource and promote the City's environmental sustainability goals.

Points Available: See Table 35.

TABLE 35: ENVIRONMENTAL PROTECTION POINTS AVAILABLE

Criteria	Points Available	
6-A: Energy Efficiency	6	
6-B: On-Site Solar Energy Generation	10	
6-C: Indoor Water Use	4	
6-D: Outdoor Water Use	12	
6-E: Sustainable Site and Building Design	22	
Total	54	22 Maximum

Criteria 6-A: Energy Efficiency

Standard: The project exceeds the minimum building energy efficiency required by the California Energy Code.

Points: See Table 36.

TABLE 36: POINTS FOR ENERGY EFFICIENCY

Energy Efficiency Beyond Minimum Requirement	Points
5%	2
10%	4
15%	6

Total Available Points: 6

Scoring Instructions: Energy use and efficiency is calculated as the aggregate of all buildings within a project. To receive points, a project must show a reduction in its energy budget compared to the standard design building, as calculated by Title 24, Part 6 Compliance Software certified by the California Energy Commission.

Criteria 6-B: On-Site Solar Energy Generation

Standard: The project incorporates on-site solar energy generation systems to provide energy for on-site use.

Points: See Table 37.

TABLE 37: POINTS FOR ON-SITE SOLAR ENERGY GENERATION

Project's annual electrical energy cost provided from an on-site solar energy generation system	Points
60%	4
70%	6
80%	8
90%	10

Total Available Points: 10

Scoring Instructions: Percentage of energy generated from on-site renewable sources must be demonstrated using a building energy performance simulation tool consistent with industry standards.

Criteria 6-C: Indoor Water Use

Standard: The project exceeds the minimum indoor water efficiency and conservation requirements of the California Green Building Standards Code (CalGreen).

Points: See Table 38.

TABLE 38: POINTS FOR INDOOR WATER EFFICIENCY AND CONSERVATION

Water Efficiency Beyond Minimum Requirement	Points
5%	2
10%	4

Total Available Points: 4

Scoring Instructions: Applicants shall demonstrate attainment of water efficiency standards utilizing methods consistent with CalGreen and industry standards.

Criteria 6-D: Outdoor Water Use

Standard: The project reduces outdoor water use through water efficiency landscaping and irrigation.

Points: See Table 39.

TABLE 39: POINTS FOR OUTDOOR WATER USE

Standard	Points
Less than 50% of landscaped area contains natural turf	2
The project contains no natural turf outside of common areas used for active play	4
The project exceeds outdoor water efficiency standards by 10 percent	2
The project exceeds outdoor water efficiency standards by 20 percent	4
The project exceeds outdoor water efficiency standards by 30 percent	6

The project installs subsurface irrigation for all natural turf areas	2
---	---

Total Available Points: 12

Scoring Instructions: The project's outdoor water efficiency shall be calculated in accordance with Morgan Hill Municipal Code Chapter 18.73 (Water Conservation in Landscaping). Standards (a) and (b) and standards (c) and (d) are mutually exclusive; points for all other standards may be combined.

Criteria 6-E: Sustainable Site and Building Design

Standard: The project incorporates sustainable building site design features beyond the minimum requirements of the California Green Building Standards Code (CalGreen).

Points: 1 point for every 2 Build It Green (BIG) Points over the minimum required by Chapter 15.65 of the City of Morgan Hill Municipal Code

Total Available Points: 22

Scoring Instructions: Applicants shall use the current Build It Green Checklist maintained by the City of Morgan Hill. A project may receive Build It Green Points only for measures beyond the minimum requirements of the California Green Building Standards Code adopted by the City of Morgan Hill. Consistent with Chapter 15.65 of the City of Morgan Hill Municipal Code, Community points in the Build It Green checklist are excluded from the sustainability standard and the project is required to meet minimum point requirements within the checklist categories (energy, water, resource, and indoor air quality).

If construction on a project has not commenced within 3 years of initial award of allotments, project must use Build It Green checklist in effect at the time of application for building permits.

7. TRANSPORTATION

Intent: Support a balanced and efficient transportation system for pedestrians, cyclists, public transit, and automobiles that maintains quality of life in residential neighborhoods.

Points Available: See Table 40.

TABLE 40: TRANSPORTATION POINTS AVAILABLE

Criteria	Points Available	
7-A: Bicycle and Pedestrian Improvements	6	
7-B: Transit Improvements	3	
7-C: Off-Site Roadway Improvements or Fund Contribution	6	
7-D: Transportation Demand Management	5	
7-E: Connections to Adjacent Property	3	
7-F: Internal Connections	4	
7-G: EV Charging Station	4	
Total	31	15 Maximum

Criteria 7-A: Bicycle and Pedestrian Improvements

Standard: The project constructs pedestrian and bicyclist improvements beyond the minimum requirement.

Points: 1 point for every \$1,000 in improvements constructed per unit.

Total Available Points: 6

Small and Micro Projects: Projects with up to 15 units, including custom lot projects, shall automatically receive 4 points within Criteria 7-A without constructing pedestrian and bicyclist improvements.

Scoring Instructions: Improvements may be on-site or off-site consistent with the City's Bikeways Master Plan. Points may be awarded only for the construction of improvements that exceed improvements normally required as a condition of approval for a subdivision map or other project permit. For example, the City would not typically award points for the installation of a bikeway along the property frontage identified as a future bikeway in the City's Bikeways Master Plan as the installation of this bikeway would be a typical condition for the approval of a proposed subdivision.

To be eligible for points, bicycle improvements must be consistent with the City of Morgan Hill Bikeways Master Plan. Types of bicycle improvements may include construction of bicycle paths, lanes, and routes; repair of existing facilities, installation of bicycle racks and lockers, and installation of way-finding signs. Types of pedestrian improvements may include installation of new sidewalks, enhanced street crossings, ADA-compliant curb ramps, mid-block crossings, traffic calming measures, and curb extensions.

Points may be awarded for creative or innovative amenities that support bicycling and walking, including but not limited to secure indoor bicycle storage for each unit, shared bicycle repair facilities, and car sharing facilities.

Criteria 7-B: Transit Improvements

Standard: The project constructs bus stop or other bus transit improvements beyond the minimum requirement

Points: 1 point for every \$1,000 in value of improvement per unit.

Total Available Points: 3

Scoring Instructions: Points may be awarded only for the construction of improvements that exceed improvements normally required as a condition of approval for a subdivision map or other project permit. For example, the City would not typically award points for the installation of a bus turnout along the property frontage if the City's General Plan or other policy documents identify the location as requiring the turnout. The requirement to install the turnout or other similar improvement would be a typical condition for the approval of a proposed subdivision to comply with and achieve consistency with the General Plan.

Types of improvements eligible for points include bus shelters, benches, reinforced street sections or bus pullout areas, information signs and displays, enhanced pedestrian access, security enhancements, and landscaping. These improvements must be located on an approved or planned Valley Transportation Agency (VTA) transit route and accepted by the VTA for maintenance. A letter from the VTA must be submitted confirming VTA's acceptance and maintenance of the proposed bus stop. For planned bus routes, the VTA letter shall provide confirmation of the future bus route extension. This standard may apply to a bus stop constructed in the initial or previous phase that would serve subsequent phases of the same development.

There is no geographic requirement for improvements - points may be awarded for improvements located outside of the project boundary or away from the immediate vicinity of the project.

Criteria 7-C: Off-Site Street and Parking Improvements or Fund Contribution

Standard: The project constructs and/or funds off-site street roadway improvements.

Points: 1 point for every \$1,000 in value of improvement per unit.

Total Available Points: 6

Scoring Instructions: To be eligible for points, a project must provide for the dedication and/or improvement of extensions to existing streets and/or shared parking lots outside of the project boundaries. Shared parking must be subject to an agreement between property owners to ensure the continued availability of shared parking. Projects which offer to complete adjacent or nearby off-site street or parking improvements which were committed to be installed by another previously approved application will not receive points for the same commitment. To be eligible for points improvements must be voluntary and not otherwise required by the City or any other public agency.

After a project receives entitlements and before the completion of construction, the City may allow the applicant to contribute in-lieu funds equal to the value of the improvements for which points were awarded. The City may allow the contribution of in-lieu funds only if the City Engineer determines that the in-lieu funds will allow for street and parking improvements with a greater community benefits than could be provided by the construction of improvements by the project developer.

Criteria 7-D: Transportation Demand Management

Standard: The project incorporates transportation demand management (TDM) measures

Points: See Table 41.

TABLE 41: POINTS FOR TRANSPORTATION DEMAND MANAGEMENT MEASURES

Building Design Feature and Construction Method	Points
The project contributes to the City's transportation fund to be used to provide city-wide TDM programs	1 per \$1,000 contributed per unit, up to 2
For rental projects, a TDM program will be maintained for the life of the project incorporating identified TDM measures	1
For rental projects, the project incorporates three or more TDM measures	2

Total Available Points: 5

Scoring Instructions: To be eligible for points, TDM measure must be in excess of those required as environmental mitigation and may not be used to receive point within other competition criteria. Rental projects may receive one point for committing to maintain a TDM program for the life of the project and two points for incorporating three or more of the following TDM measures:

- Free transit passes for residents.
- Free car share membership for residents.
- On-site cargo bicycle available for residents' use.
- Operation of a dedicated shuttle service during the peak period to a rail station.
- Operation of a commute assistance center, offering on site, one stop shopping for transit and commute alternatives information.
- Installation of shared office facilities for the use of residents to facilitate telecommuting and home-based employment. high bandwidth connections in employees' homes to the Internet to facilitate home telecommuting.
- Other similar measures as approved by the Planning Commission.

Criteria 7-E: Connections to Adjacent Property

Standard: The project maximizes connections to adjacent property for vehicles, bicyclists, and pedestrians.

Points: See Table 42.

TABLE 42: POINTS FOR CONNECTIONS TO ADJACENT PROPERTY

Connection to Adjacent Property	Points
For projects abutting developed land, the project aligns and connects streets intersecting the project boundary with all adjoining streets.	1
For projects abutting undeveloped land, the project extends streets to the adjoining undeveloped land to provide access to undeveloped land in the event of its future development.	1
The project provides off-street bicycle and pedestrian connections, including private or public parks, open space, transit facilities, and commercial areas. Connections must be established and maintained through an easement, dedication or other similar method to guarantee it remains accessible to the general public. This is intended to implement Policy No. P2-4 "Encourage public accessibility of new privately-owned and developed parks through the RDCS process" from the Bikeways, Trails, Parks and Recreation Master Plan, as well as GP Policy CNF-11.5 Outside Connections and Policy CNF-11.6 Open Space Connections.	1

Total Available Points: 3

Small and Micro Projects: Projects with up to 15 units, including custom lot projects, shall automatically receive 4 points within Criteria 7-E.

Criteria 7-F: Internal Connections

Standard: The project maximizes internal connections within the project with minimal physical barriers that provide continuous, safe, and convenient travel for vehicles, bicyclists, and pedestrians.

Points: See Table 43.

TABLE 43: POINTS FOR INTERNAL CONNECTIONS

Internal Connection	Points
The project incorporates two or more design elements of "complete streets" that meet the needs of multiple users, including motorists, bicyclists, pedestrians, transit users, and persons of different physical capabilities.	1
The project incorporates enhanced bicycle and pedestrian improvements such as bicycle storage facilities, traffic calming measures, intersection crossings, and wayfinding signage. One improvement is required for one point.	1

The project provides pedestrian connections with minimal physical barriers from all units to common open space, recreational facilities, and other project amenities.	1
The project incorporates neighborhood traffic management techniques, such as traffic circles, narrow lanes, and bulbouts, to control vehicle speeds and increase the safety of bicycle and pedestrian travel.	1

Total Available Points: 4

Small and Micro Projects: Projects with up to 15 units, including custom lot projects, shall automatically receive 4 points within Criteria 7-F.

Scoring Instructions: Complete Streets is a transportation policy and design approach, adopted as one of the transportation goals in the City's 2035 General Plan, that requires streets to be planned, designed, operated, and maintained to enable safe, convenient and comfortable travel and access for users of all ages and abilities regardless of their mode of transportation. Complete Streets allow for safe travel by those walking, cycling, driving automobiles, riding public transportation, or delivering goods.

The specific design elements of Complete Streets vary, based on context and project goals, but they may include the following, as approved by the City Engineer:

- Pedestrian infrastructure such as sidewalks; traditional and raised crosswalks; median crossing islands; Americans with Disabilities Act of 1990 compliant facilities including audible cues for people with low vision, pushbuttons reachable by people in wheelchairs, and curb cuts; and curb extensions.
- Traffic calming measures to lower speeds of automobiles and define the edges of automobile travel lanes, including a road diet, center medians, shorter curb corner radii, elimination of free-flow right-turn lanes, angled and face-out parking.
- Bicycle accommodations, such as protected or dedicated bicycle lanes, neighborhood greenways, wide paved shoulders, and bicycle parking.
- Public transit accommodations, such as bus pullouts, transit signal priority, bus shelters, and dedicated bus lanes.
- Green Streets, the natural systems approach (incorporates vegetation and/or permeable pavements) to enhance pedestrian safety, reduce stormwater flow and improve water quality. Green Streets are designed to capture rainwater at its source.

Criteria 7-G: Electric Vehicle Charging Stations

Standard: The project provides electric vehicle charging stations beyond minimum requirements.

Points: 1 point per charging station.

Maximum Points: 4

Scoring Instructions. Charging stations shall be available for use by all project residents and visitors. Charging stations are not required to be available to the general public. The developer shall install all connections and equipment necessary for the charging stations to be ready to use by residents and visitors

upon project completion. Technical specifications for charging stations and related improvements shall be as required by the Building Official upon time of installation.

8. MUNICIPAL INFRASTRUCTURE

Intent: Encourage the efficient use of public infrastructure and services.

Points Available: See Table 44.

TABLE 44: MUNICIPAL INFRASTRUCTURE POINTS AVAILABLE

Criteria	Points Available	
8-A: Water Infrastructure	3	
8-B: Wastewater Infrastructure	3	
8-C: Storm Water Infrastructure	3	
8-D: Infrastructure and Services Fund Contribution	3	
8-E: Broadband Connectivity	6	
Total	18	10 Maximum

Criteria 8-A: Water Infrastructure

Standard: The project constructs off-site water infrastructure improvements beyond minimum requirements.

Points: 1 point for every \$1,000 in improvements constructed per unit

Total Available Points: 3

Scoring Instructions: Off-site water infrastructure improvements must be consistent with the City's Infrastructure Master Plan, approved by the City Engineer, and constructed consistent with the City's standard specification for water infrastructure improvements. After a project receives entitlements and before the completion of construction, the City may allow the applicant to contribute in-lieu funds equal to the value of the improvements for which points were awarded. The City may allow the contribution of in-lieu funds only if the City Engineer determines that the in-lieu funds will allow for water infrastructure improvements with a greater community benefits than could be provided by the construction of improvements by the project developer.

Criteria 8-B: Wastewater Infrastructure

Standard: The project constructs off-site wastewater infrastructure improvements beyond minimum requirements.

Points: See Table 45.

TABLE 45: POINTS AVAILABLE FOR WASTEWATER INFRASTRUCTURE

Standard	Points
The project provides off-site extensions or replacement of wastewater collection pipes and lift stations beyond minimum requirements.	1 point for every \$1,000 in improvements constructed per unit

Total Available Points: 3

Scoring Instructions: Off-site waste water infrastructure improvements must be consistent with the City's Infrastructure Master Plan, approved by the City Engineer, and constructed consistent with the City's standard specification for water infrastructure improvements. After a project receives entitlements and before the completion of construction, the City may allow the applicant to contribute in-lieu funds equal to the value of the improvements for which points were awarded. The City may allow the contribution of in-lieu funds only if the City Engineer determines that the in-lieu funds will allow for waste water infrastructure improvements with a greater community benefits than could be provided by the construction of improvements by the project developer.

Criteria 8-C: Storm Water Infrastructure

Standard: The project utilizes low impact development (LID) techniques and/or constructs storm water improvements beyond minimum requirements.

Points: See Table 46.

TABLE 46: POINTS AVAILABLE FOR STORM WATER INFRASTRUCTURE

Standard	Points
The project provides off-site stormwater infrastructure improvements beyond minimum requirements.	1 point for \$1,000 in improvements constructed

Total Available Points: 3

Scoring Instructions: Low-Impact Development (LID) is a stormwater management approach that manages rainfall on the site through landscape features that infiltrate, filter, store, evaporate and detain stormwater at the source. LID techniques integrate green space, native landscaping, natural hydrologic functions, and other techniques to generate less runoff from developed land. City LID requirements can be found in the City's Stormwater Management Guidance Manual for Low Impact Development and Post-Construction Requirements (2015). The applicant is required to demonstrate that the LID techniques specifically proposed will result in water quality and flood control benefits to the project site and community. Projects shall show the location and preliminary dimensions/outline of the stormwater facility in their RDCS plan submittal. A stormwater note will not be acceptable.

Off-site storm water infrastructure improvements must be consistent with the City's Infrastructure Master Plan, approved by the City Engineer, and constructed consistent with the City's standard specification for water infrastructure improvements. After a project receives entitlements and before the completion of construction, the City may allow the applicant to contribute in-lieu funds equal to the value of the improvements for which points were awarded. The City may allow the contribution of in-lieu funds only if the City Engineer determines that the in-lieu funds will allow for storm water infrastructure improvements with a greater community benefits than could be provided by the construction of improvements by the project developer.

Criteria 8-D: Infrastructure and Services Fund Contribution

Standard: The project contributes water, sewer, storm drain funds greater than the minimum required.

Points: 1 point for every \$1,000 contributed.

Total Available Points: 3

Criteria 8-E: Broadband Connectivity

Standard: The project provides advanced broadband connectivity.

Points: See Table 47.

TABLE 47: POINTS AVAILABLE FOR COMMUNICATION TECHNOLOGY

Standard	Points
The project installs broadband conduit in the public right-of way.	2
The project installs broadband conduit from the public right-of-way to each home or occupied building in the project.	1
The project pre-installs indoor conduit, wiring and other necessary infrastructure so that broadband service may be provided to each unit.	1
The project provides primary broadband service to each unit from a competitive telecommunications company (i.e., a company other than Frontier or Charter)	6

Total Available Points: 6

Scoring Instructions: Broadband means telecommunications service capable of supporting digital data transmission at minimum download speeds of 25 Mbps. To be eligible for points, projects must install conduit each with at least two pull cables and of sufficient size and quality to accommodate multiple future broadband providers in all the public right-of ways fronting the project site. At least one conduit shall remain empty and reserved for use by a potential future broadband service provider. Points for providing broadband service from a competitive telecommunications company may not be combined with points for installing conduit pathways within the right-of way, from the right-of-way to buildings, and within buildings.

The RDCS submittal shall provide a schematic location of the broadband conduit. A note demonstrating broadband compliance will not be acceptable.

9. PROJECT QUALITY

Intent: Encourage exceptional project design at the neighborhood, site, and building scale.

Points Available: See Table 48.

TABLE 48: PROJECT QUALITY POINTS AVAILABLE

Criteria	Points Available	
9-A: Exterior Building Design	15	
9-B: Building Placement and Massing	15	
9-C: Site Improvements	7	
9-D: Vehicle Parking and Access	13	
9-E: Public Art	3	
9-F: Smart Homes	4	
9-G: Project Excellence	3	
Total	60	35 Maximum*

*The maximum score for Criteria 9-A through 9-F is 32. The Planning Commission may award an additional 3 points for Criteria 9-G for a total maximum score of 35.

Criteria 9-A: Exterior Building Design

Standard: Exterior architectural elements support walkable and attractive neighborhoods.

Points: See Table 49.

TABLE 49: POINTS FOR EXTERIOR BUILDING DESIGN

Building Design Features	Points
1. Front Porches. A minimum of 50 percent of homes facing a street or common interior courtyard include a front porch. Porches must be part of the home's primary entrance, connected to the front yard or common interior courtyard, a minimum of 6 feet by 5 feet, and in full view of the street or common interior courtyard. Multi-family projects may earn points if 50 percent of ground floor units with exterior entrances include a porch.	1 (attached) 3 (detached)
2. Balconies Facing Street or Courtyard. A minimum of 25 percent of homes facing a street or common interior courtyard include a balcony overlooking a public space. Balconies must provide usable private outdoor space for residents, be in full view of a street or common interior courtyard, and face away from neighbors' yards to maintain privacy. Multi-family projects may earn points if 25 percent of upper floor units facing a street or common interior courtyard include a balcony.	1

3. Balconies Facing Alleys. A minimum of 25 percent of homes abutting a shared alley include a balcony overlooking the alley, parking area, or drive aisle. Multi-family projects may earn points if 25 percent of upper floor units facing an alley, parking area, or drive aisle include a balcony.	1
4. Façade Articulation and Finishes – Front building facades feature quality façade articulation and finishes to break up blank, flat walls and provide visual interest. Example façade articulation include but are not limited to windows, shutters, awnings, balconies, bay windows, and stone enhancements.	1 (attached) 3 (detached)
5. 360-degree Architecture. The project features full and consistent articulation and design detail on all building facades.	1 (attached) 3 (detached)
6. Corner Treatments. For projects where the side or rear of a home faces a street or common courtyard street, the project incorporates enhanced treatments of these side and rear facades to support a welcoming and visually interesting public realm.	1
7. Colors and Materials. The project incorporates a mix of exterior finish materials and colors that is compatible with the architecture of the homes and enhances visual interest.	1 (attached) 3 (detached)
8. Multi-family Ground Level Entrances. For multi-family residences, the project provides as many private, exterior ground-level entries to individual units as possible.	1
9. Individual Residences – Attached Projects. Large buildings are architecturally subdivided so that they appear as individual residences or small groups of units. Buildings incorporate features such as window bays, balconies, porches and entrance vestibules, varied color schemes, and individual roof volumes to define individual units.	4
10. Residential-Scale Design Elements – Attached Projects. Buildings incorporate design details, including but not limited to porches, projections, eaves, bay windows, and other similar architectural elements, that provide residential scale and help to break up the building mass.	1

Total Available Points: 13 (attached); 15 (detached)

Criteria 9-B: Building Placement and Massing

Standard: The placement of buildings on lots, orientation of units to the street, and configuration of building height and volume supports a high-quality design environment.

Points: See Table 50.

TABLE 50: POINTS FOR BUILDING PLACEMENT AND MASSING

Building Placement and Massing Features	Points
1. Entrance Orientation – Collector and Residential Streets. The primary entrance of homes face streets along the project perimeter for projects: - Fronting an existing residential or collector street; or - Located Downtown or in the Monterey Road corridor.	2
2. Entrance Orientation – Single-Family Detached Projects/Arterial Streets. The primary entrances of detached single-family homes outside of Downtown or the Monterey Road corridor do not face an arterial street. Project perimeters along arterial streets feature landscaping, fences, walls, and other improvements that create visual interest and support a pedestrian-friendly environment.	2
3. Variation in Building Height. The project incorporates variation in building heights to minimize monotony and enhance visual interest.	2
4. Variation in Building Placement. The project incorporates variation in building front setbacks and placement on lots to minimize monotony and enhance visual interest.	2
5. Roof Line Variation. Variation in roof lines through changes in roof height and form break of building massing and create visual interest.	2
6. Upper Floor Set Back – Detached Homes. A minimum of 50 percent of detached single-family homes feature second stories stepped back a minimum of 10 feet from the street-facing ground floor building wall.	2
7. Upper Floor Set Back – Attached Homes. Upper floors of attached housing types facing a street are stepped back a minimum of 10 feet from the street-lower floor building wall.	1
8. Height and Project Edge – Attached Projects. The project minimizes building heights along the project edge and locates larger buildings towards the interior of the site.	1

9. Separate Structures – Attached Projects. Large projects divide units into multiple separate structures. Maximum number of units per structure is as follows: - Attached single-family (townhomes): 5 units maximum per structure - Multi-family: 10 units maximum per structure	4
10. Adjacent Building Types– Attached Projects. The project matches building types along project edge with adjacent land that is developed to its ultimate potential use according to the General Plan or applicable zoning. For example, the project locates detached single-family homes along the project perimeter when facing existing detached single-family homes in an area zoned for detached single-family homes.	1

Total Available Points: 12 (detached); 15 (attached)

Criteria 9-C: Site Improvements

Standard: Landscaping and other site improvements contribute to a high-quality design environment.

Points: See Table 51.

TABLE 51: POINTS FOR SITE IMPROVEMENTS

Site Improvements	Points
1. Landscaping – Parkway Design. The project provides a landscape parkway along the street 50 percent wider than the minimum required for the street type. Street trees and pedestrian-scale lighting within or adjacent to the parkway exceed minimum requirements and help create a distinctive and memorable design environment. For private streets with no minimum parkway standard, projects may receive points for exceed the width of an equivalent public street standard.	2
2. Landscaping – Visual Relief. Landscaping is placed and designed to minimize the appearance of building bulk and mass and to emphasize building features that create visual interest and support a pedestrian-friendly environment.	1
3. Exterior Lighting. Exterior lighting fixtures are architecturally integrated with the primary building's design, style, material, and colors.	1
4. Entrance Pathways. The project provides a direct pathway connection from a public sidewalk to the primary entrance of each unit or building adjacent to the sidewalk. For buildings and units oriented towards interior common open space, points may be awarded if direct pathway connection is provided from the open space to each unit or building facing the open space.	1
5. Public/Private Transitions. The project includes transition zones between private and public spaces along the street frontage through the use of landscaping, fences, trellises, walls, or a change in floor elevation.	1

6. Mechanical Equipment. All mechanical equipment is screened from the public right-of-way and common areas enclosed with an architecturally compatible structure. Equipment closures are screened through landscaping.	1
--	---

Total Available Points: 7

Criteria 9-D: Vehicle Parking and Access

Standard: The project minimizes visual impacts from on-site vehicle access and parking facilities.

Points: See Table 52.

TABLE 52: POINTS FOR VEHICLE PARKING AND ACCESS

Vehicle Parking and Access Features	Points
1. Garage Door Orientation. Garage doors do not face the front street. All garages are configured on the site such that garage doors face either the side or rear of the property, or sufficient screening by buildings or landscaping is provided to avoid a direct line of sight to garage doors from public spaces.	3
2. Garage Door Design – Minimizing Visual Dominance. For garage doors that face the front street, garage doors and entrances are designed to be visually subservient to other building elements through methods such as increasing garage door setbacks, incorporating greenery within the driveway, and other methods.	1
3. Garage Door Design - Detailing. Garage doors feature enhanced windows or architectural detailing consistent with the main dwelling.	1
4. Garage Configuration. No more than 50 percent of single-family homes feature an identical garage configuration. Garage configuration may include front loaded attached, front loaded detached, side loaded, and rear loaded garages.	1
5. Parking – Attached Projects. The project locates parking lots serving attached residential units at the rear or side of the site to allow a majority of dwelling units to front on the street or an internal courtyard. Parking is not located between a building and any public sidewalk or street.	1
6. Screening. Parking visible from a public street is screened with fences, walls, and/or landscaping to the greatest extent possible.	1
7. Landscaping – Attached Projects. The project incorporates landscaping to soften the appearance of off-street parking areas and private drive aisles in attached single family and multi-family projects	1

8. Setback Areas. For detached single-family projects, paved areas and hard surface for vehicle access and parking occupies not more than 50 percent of the front and street-side setback area.	1
9. Pavement Design. Areas for vehicle parking and circulation feature enhanced paving finishes such as stone, brick, and colored and textured concrete that complement the architectural style of buildings.	2
10. Clustered Units. Parking for clustered single-family units use a shared driveway that minimizes the amount of overall hardscape and maximizes the amount of landscaping to screen driveway.	1

Total Available Points: 13

Criteria 9-E: Public Art

Standard: The project incorporates public art to create a livable and visually stimulating environment.

Points: 1 point for every \$1,000 in artwork cost per unit.

Total Available Points: 3

Scoring Instructions: Public art means privately funded, constructed, and maintained artwork located on private property, but which also provides a public benefit, or on public property pursuant to City approval. The public art must be located in areas on the site clearly visible from the public street or sidewalk or in publicly accessible outdoor areas. Public art must be displayed in a manner that will enhance its enjoyment by the general public.

Artwork costs include all costs associated with the selection, acquisition, purchase, commissioning, design, fabrication, placement, installation, or exhibition of the public art. Public art may include sculpture, murals, photography and original works of graphic art, earthworks, fiber works, waterworks, neon, glass, mosaics, or any combination of forms of media, furnishing or fixtures permanently affixed to the building or its grounds, and may include architectural features of the building or elements of landscape design. The creator of public art shall be a practitioner in the visual arts who is not a member of the project engineering, architecture or landscape architecture firm.

Criteria 9-F: Smart Homes

Standard: The project accommodates or provides home automation devices that are connected to and controlled through a digital network.

Points: See Table 53.

TABLE 53: POINTS AVAILABLE FOR SMART HOMES

Standard	Points
The project installs home automation devices within units.	1 per \$1,000 in device value per unit

The project installs home automation devices within units that reduce energy consumptions, such as devices that automatically adjust lighting, heating, and air conditioning.	1 per \$1,000 in device value per unit
---	--

Total Available Points: 4

Scoring Instructions: A home automation device means a household device, appliance, or fixture that is connected to a digital network and controlled remotely by the resident. Example home automation devices include, but are not limited to major homes appliances (refrigerators, freezers, ovens washers/dryers), heaters and air conditions, thermostats, lighting systems, locks and home security, doorbells, and home theatre and entertainment systems.

Criteria 9-G: Project Excellence

Standard: The project incorporates exceptional features as determined by the Planning Commission.

Points: See Table 54

TABLE 54: POINTS AVAILABLE FOR PROJECT EXCELLENCE

Planning Commission Vote	Points
Majority	1
Super-Majority	2
Unanimous	3

Total Available Points: 3

Scoring Instructions: Points may be awarded to projects that demonstrate exceptional consistency with policies within Goal CNF-11 in the General Plan City and Neighborhood Form Element as determined by the Planning Commission. Points for Planning Commission votes (majority, super-majority, unanimous) are based on Planning Commissioners present. Super-majority means one vote more than a majority vote. When making its decision the Planning Commission will consider information provided by staff.

IV. RDCS IMPLEMENTATION POLICIES

A. Schedule for 2018 Competition

All of the following dates, excluding the RDCS application submittal deadline, are tentative and subject to adjustment.

July 10	Planning Commission Evaluation and Recommendation of Available Allotments (18.78.110B)
July 25	City Council Determination on Possible Reduction to Available Allotments (18.78.110B)
September 7	Pre-Competition Orientation (18.78.120A)
September 17	Pre-Application Review (18.78.130)
October 17	Pre-Application Review Letter (18.78.130F)
January 25	Applicant Response to Pre-Application Review Letter (18.78.130G)
January 25	RDCS Application Submittal Deadline (18.78.120C)
February 8	General Plan and Zoning Consistency Determination (18.78.120D)
February 19	Deadline to file General Plan and Zoning Consistency Appeal to City Council
March 5	Staff Scoring of Applications/Recommendation to Planning Commission (18.78.120E)
March 20	Appeals of General Plan and Zoning Consistency Heard by City Council
March 26	Planning Commission Hearing - Project Scores (18.78.120F)
April 9	Planning Commission Hearing – Finalize Project Scores
April 19	Deadline to File Scoring Appeal to City Council
May 15	Scoring Appeal Heard by City Council
June 7	Staff Recommendation - Award of Allotments (18.78.120G)
June 11	Planning Commission Hearing - Award of Allotments (18.78.120H)
June 20	Deadline to File Allotment Appeal to City Council
July 17	Allotment Appeal Heard by City Council

* All decisions of the Planning Commission may be appealed to the City Council (18.78.120J)

B. Exemptions

The following types of residential projects may be developed without first receiving any allotments:

1. One single-family home on a lot existing as of March 1, 2017;
2. Secondary dwelling units;
3. The conversion of an existing single-family home into a duplex provided that a new detached primary structure is not constructed on the lot or lots;
4. Assisted living/nursing homes (reference Zoning Ordinance for definition); and
5. The annexation of existing dwelling units outside of City limits into the City.

Projects may receive credit for legal residences that exist on the project site at the time of an RDCS application.

C. Application Submittal Requirements

See RDCS Process and Filing Requirements section on RDCS Process web page:

<http://www.morgan-hill.ca.gov/109/RDCS-Process>

The following additional submittal requirements shall also apply:

- When evaluating and scoring applications, the City may not consider any additional information submitted by the applicant after the application filing date. However, staff may request and consider additional information (calculations, tables, graphics, etc.) to clarify the applicant's submittal.
- For projects requesting points for an activity on property not owned by the applicant or developer, the applicant must submit a written approval from the property owner consenting to the activity.
- For projects requesting points to provide access to public parks and open space areas outside the project boundary, the applicant must submit written approval from the agency in control of the facilities to allow access between the project and the facilities.
- In cases of conflict between a written project narrative and plans, the narrative shall take precedent over plans.

D. General Plan and Zoning Consistency

After deeming an RDCS application complete, the Community Development Director or the Director's designee shall evaluate each application for consistency with the City's General Plan and Zoning Code and reject any applications which are found to be inconsistent with either the City's General Plan or Zoning Code. The Community Development Director's determination is appealable to the City Council. The City Council may direct the applicant to make modifications to the application and if these modifications bring the application into compliance with the General Plan and Zoning Code the application may continue to compete for allotments.

A proposal is consistent with the General Plan when:

1. The subject site's General Plan Land Use designation allows the proposed use at the proposed density; and
2. The proposal meets the overall intent of the Goals and Policies of applicable elements of the General Plan.

A proposal is consistent with the Zoning Code when the base Zoning District or PD Zoning for the site allows the proposed use; and the proposal meets the zoning regulations (e.g., setbacks) of the subject site's base Zoning District or PD Zoning, or the proposal only includes minor deviations from zoning regulations that, at the entitlement stage, could either be modified to be fully consistent with zoning regulations or the applicant would secure approval of a PD Zoning to establish modified development standards.

Minor deviation means an adjustment to the development standard in the project's base zoning district not to exceed the percentages in Table 55. For example, if a project is in a zoning district with a minimum front setback of 25 feet and proposes front setbacks of no less than 20 feet through PD Zoning, the project would be consistent with the Zoning Code. If a project in a zoning district with a maximum height of 30 feet proposed a height of 35 feet (more than a 10 percent deviation from the zoning district standard), the project would not be considered consistent with the Zoning Code. In this example, no structure within the project may have a height of more than 35 feet for the project in its entirety to be considered consistent with the Zoning Code.

TABLE 55: MAXIMUM DEVIATIONS FOR ZONING CONSISTENCY

Standard	Maximum Deviation
Setbacks, Front and Rear	20 percent decrease
Setbacks, Side	30 percent decrease
Lot Coverage and FAR	10 percent increase
On-site Parking (number of spaces)	10 percent decrease
Building Height	10 percent increase
Lot Size	15 percent decrease

Any proposed minor deviation(s) must be clearly identified with justification for the deviation(s) provided in writing as part of the required Pre-Application Review process, per Section 18.78.130 of the RDSCS Ordinance. Proposed deviations shall not unreasonably affect abutting sites.

The Community Development Director may allow greater deviations from the percentages shown in Table 55 if the applicant can demonstrate that the greater deviation would produce a public benefit that cannot be provided without the greater deviation.

E. Competition Categories and Ongoing Projects

Each year the City Council may establish competition categories for certain types of projects. Projects within a competition category will compete for allotments only with other projects in the same competition category. For each competition category, the City Council shall identify the number of allotments available for projects competing within the competition category. Examples of competition categories may include, but are not limited to, projects within the Monterey Road Corridor, small projects (less than 15 units), senior housing, vertical mixed use, custom lots, and multi-family rental.

2018 Competition for Fiscal Year 2020/21

<u>Competition Category</u>	<u>Number of Allotments</u>
Affordable Housing	97
On-going Projects (Measure C)	25
On-going Projects (Measure S)	15
Unassigned	78
Total	215

Affordable Housing: The City Council shall ensure that an adequate number of allotments are available for affordable housing projects consistent with the City's Regional Housing Needs Allocation (RHNA) and adopted Housing Element.

Micro Projects: A Micro Project consists of a maximum of six (6) dwelling units on a site with an ultimate development potential of no more than six (6) units.

Small Projects: A Small Project consists of between seven (7) and 15 dwelling units on a site with an ultimate development potential of no more than 15 units.

Multi-family Rental: A Multi-family Rental project is a development of any size providing market rate rental housing.

Open/Market: The Open/Market category applies to housing of any type typically consisting of more than 15 units at build-out.

Senior Housing: Senior Housing projects are any market-rate housing type for persons 55 and older. For RDCS purposes Senior Housing must meet the following minimum requirements: 1) Must be 25 units or more; 2) Lot sizes shall not exceed an average 9,000 square feet (unless a single lot multi-family development); 3) Must have an HOA to maintain all common amenities and front yard landscaping; 4) Seventy-five percent or more of the units must be single story in projects proposed in single-family zoning districts (or single level flats in multi-family zoning districts) with the exception of R-1 4,500 Zoning District where fifty percent or more shall be single story; 5) All 2-story units shall be designed and prewired for elevators or stair lifts; 6) All units within the project must meet visitability and adaptability standards. The Planning Commission has the discretion to waive or allow variation from the above definition for multifamily senior projects that are found to be in substantial conformance with the above definition.

Custom Lot: A Custom Lot is defined as a project which includes the opportunity for individuals to purchase lots. Custom lots shall be defined as follows: 1) Minimum lot size shall be based on the underlying zoning (no RE or large lot minimums); 2) The original developer can retain ownership of up to 50% of the lots with the balance made available for purchase by individual builders who wish to construct homes; 3) Of the "for sale lots", no more than 2 lots may be purchased by any one person; 4) Exterior elevations should vary throughout the project and floor plans may not be repeated, but can be reversed if elevation is varied.

On-going Projects: In addition to the competition categories, allotments may also be given to on-going projects. These are projects that were awarded building allotments in previous competitions, but were not fully allocated. Each on-going project can receive allotments without submitting a new application. See Section N below for additional details.

Prior Multi-Year Commitment: The number of allotments in a given competition year that were previously awarded to multi-year/phased projects.

F. Scoring

Scoring Errors: After the Planning Commission approval of final points no point adjustments are allowed.

Changes to Approved Projects/Substitution of Points/Criteria: Changes will be considered on a case-by-case basis with any changes resulting in the project receiving the same or higher score within each Objective and the change would maintain or improve the quality of the project and would result in the same or greater value to the City or its project's future residents. If project is refined, allow points to be made up in a different Objective only if it is not possible to make-up in Objective where loss of points occurred.

Substitution of Commitments within the same objective may be allowed in limited circumstances, with approval of the Community Development Director documented through an Administrative Amendment. No changes which would degrade the quality of the project, lower the value of commitments or lower the total point score in the RDCS evaluation, or would subject the Project to further environmental review pursuant to CEQA, shall be approved. In circumstances in which substitution within the same Objective is not possible, substitution may be allowed only by resolution of the Planning Commission.

Point Opportunities for Project Feature Within Multiple Criteria. In most cases, a project feature or contribution may not earn a project points in more than one criteria. For example, a project that earns points for installing safe-routes-to-school pedestrian improvements within Criteria 1-C (Student Transportation Improvements) may not also receive points for the same improvement within Criteria 7-A (Bicycle and Pedestrian Improvements). However, there are cases where a project design feature may allow a project to receive points from multiple criteria. For example, a project that incorporates accessory dwelling units may earn points in criteria 4-A (Accessory Dwelling Units) and 4-B (Diversity of Housing Types). Points may be awarded in multiple criteria for a single project feature only where expressly identified in Section III of this manual.

G. Multi-year Allotments

Section 18.78.140 Project Phasing allows the Planning Commission to distribute allotments awarded to a single project over multiple years to support a fair and efficient RDCS process by allowing high quality projects constructed over multiple years to compete one time for allotments.

The Planning Commission has discretion to determine which projects are eligible for multi-year allotments and may award multi-year allotments over a period of up to: 1) Three years for projects with less than 100 units; and 2) Five years for projects with 100 or more units. How well a project scores will be one factor Planning Commission will consider when awarding multi-year allotments.

The Planning Commission may award multi-year allotments to projects only upon finding that:

1. The multi-year allotments will support a steady rate of growth and help to avoid a sudden spike in construction of new housing;
2. The multi-year allotments will help the City to plan for adequate public services and infrastructure to accommodate new development;
3. The City will benefit from requiring the applicant to compete only once to receive allotments for all project phases; and
4. An adequate number of allotments will remain in future years to accommodate a range of housing types to meet Morgan Hill's housing needs.

The Planning Commission will strive to ensure that a sufficient number of allotments are available each year for non-multi-year allotted projects, in addition to affordable allotments, to allow for a yearly competition.

Multi-year projects are not eligible to compete for additional allotments within the years awarded.

H. Development Agreement

An Applicant must enter into a Development Agreement as stated within Chapter 18.78 (RDCS) of the Municipal Code. A project's RDCS commitments and deadline to commence construction within the fiscal year building allotment shall be incorporated into the Development Agreement approved by City Council ordinance. Future minor amendments, such as time extensions and allotment adjustments, shall be approved by Planning Commission resolution. Planning Commission decisions are appealable to the City Council.

I. Tentative Subdivision Map

The City will allow for the processing of tentative subdivision maps which exceed the number of allotments currently assigned to a development if the following criteria are met:

- The overall project must be consistent with the Zoning Code.
- The Tentative Map shall be non-vesting.
- The recordation of a Final Map will not be permitted until allotments are secured within the RDCS and a Development Agreement has been recorded.

The Tentative Map approval would expire after two years (or sooner as specified by the Planning Commission) and the Tentative Map approval period will not be automatically extended through

the filing of a Final Map, but may be extended through separate application and approval by the Planning Commission.

J. Exercise of Allotments

Allotments must be exercised within 30 months of approval or by an alternative date specified in the RDCS Agreement. An allotment is considered exercised with the recordation of a Final Map, issuance of a grading permit, or the commencement of construction if no Final Map or grading permit is required.

A project shall be deemed to have physically commenced construction upon issuance of a building permit for the lot (or each building for multi-family/mixed-use projects) and completion of the following improvements: Installation of on-site and off-site improvements including grading and certification of the building pad by the Building Division and completion of one or more of the following: a) Excavation of the footings and foundations for the dwelling units; b) Installation of water or sewer laterals to the relevant units.

Issuance of a grading permit means the issuance of a Grading and On-Site Development Permit by the City's Building Division. The Grading and On-Site Development Permit may not be issued until the project secures all required Planning entitlements.

Allotments granted to a project within the previous RDCS (e.g., Measure C) may, with the approval of an amendment to the project's development agreement, change when the allotments are considered exercised pursuant to Section 18.78.160.A of the RDCS Ordinance (Measure S).

K. Early Start of Construction

An early start of construction date is possible as long as the units are not completed and occupied until after the start of the fiscal year in which the allotments must be used. The construction schedule incorporated into the project development schedule shall ensure that dwelling units are not completed before the start of the fiscal year in which the allotments must be used.

L. Extensions

For Projects that received allotments within the previous RDCS, but have not secured a Development Agreement, the Community Development Director may issue a (single) six (6) month extension based on current Measure S criteria.

Extension requests shall be submitted in writing to the Community Development Department a minimum of 60 days prior to the allotment expiration date and shall describe how the project meets the extension eligibility criteria listed below and in Section 18.78.170F of the Zoning Code.

In addition to receiving an Administrative Extension and/or prior extensions within the previous RDCS, a project, for each allocation year, may receive no more than one (1) extension for a maximum one additional year period for reasons due to delay by the City or public agency. On-going projects and projects

that re-compete for allotments in future allocation years may receive subsequent extensions each allocation year subject to these same limitations.

Phased projects, including multi-year projects, may only receive one, one-year extension. For phased projects, the commencement date of successive phases may, at the discretion of the Planning Commission, be extended at the time of granting the one extension.

Eligibility Criteria

1. The Planning Commission may approve an extension only when the City or other public agency is responsible for a delay (evaluated on a case-by-case basis) in the issuance of permits or granting approvals required to exercise the allotments, or due to an earthquake, flood, fire, or other severe act of nature outside of the applicant's control. It is the applicant's responsibility to provide evidence that the request is consistent with this requirement. (Note: This may include governmental requirements related to soil contamination or archaeological finds)
2. The Planning Commission may not approve an extension for any reason other than in the above paragraph, including but not limited to difficulties obtaining financing, changes to the project not required by the City or other public agencies, applicant delays responding to requests from the City or other public agency, personal circumstances of the applicant, or changes in property ownership. (Note: Public financed affordable housing projects are exempt from this requirement.)

M. Transfer of Allotments

In order to expedite the completion of projects awarded allotments within the RDCS, the transfer of fiscal year allotments between and within projects that meet the following criteria, may occur:

1. The receiving project has sufficient lead time to exercise the transferred allotment prior to the deadline.
2. The transfer must work as a trade between two developments or within a project.
3. The transfer may apply to partially allotted and fully allotted projects.
4. Both on-going and recently allotted first time projects may transfer allotments.

A transfer only changes the year the units may be built. A transfer does not alter in any way project commitments.

N. On-Going Allotments

Each on-going project can receive up to 15 allotments (up to 25 for projects that are transitioning from Measure C to Measure S) each year without submitting a new application. Projects are required to submit a letter by the RDCS Application filing date requesting on-going allotments. Projects that have previously competed and are partially allotted shall be considered on-going and may receive allotments from the on-going category. To be eligible to receive an allotment, the following criteria must be met:

1. A project has completed all planning entitlements (Tentative Map, Development Agreement, and Site Review).

2. A project is in compliance with their development schedule.
3. A project will pay additional fees for Development Agreement compliance related to the additional award and any fees for processing and administration of on-going allotments should they be established and required.

Projects that were awarded, but do not use on-going allotments will lose their eligibility to be considered on-going and must re-compete.

O. CEQA

An Environmental Impact Report (EIR) for the Morgan Hill 2035 Project, which included the RDSCS Update, was prepared in accordance with the California Environmental Quality Act (CEQA) and certified by the Morgan Hill City Council on July 27, 2016. (SCH #2015022074). The City of Morgan Hill must conduct environmental analysis before a project is approved. Award of allotments is not considered approval of a project, but rather authorizes an applicant to apply for entitlements. Environmental analysis shall be completed and considered by the appropriate decision-making body prior to granting of any entitlements, including but not limited to a tentative subdivision map, design review, a Development Agreement, or a building or grading permit.

APPENDIX: RDCS ORDINANCE ([MORGAN HILL MUNICIPAL CODE CHAPTER 18.156](#))

CONTENTS

I. COMPETITION MANUAL OVERVIEW	1
II. COMPETITION CRITERIA SUMMARY	4
A. Criteria and Points Overview	4
B. Specific Criteria and Available Points	4
C. Types of Criteria and Project Scoring Examples	7
D. Minimum Score	9
III. COMPETITION CRITERIA, STANDARDS, AND POINTS	10
1. SCHOOLS	10
2. LOCATION	12
3. AFFORDABLE HOUSING	18
4. HOUSING DIVERSITY	26
5. PARKS AND OPEN SPACE	32
6. ENVIRONMENTAL PROTECTION	43
7. TRANSPORTATION	46
8. MUNICIPAL INFRASTRUCTURE	53
9. PROJECT QUALITY	57
IV. RDCCS IMPLEMENTATION POLICIES	65
A. Schedule for 2018 Competition	65
B. Exemptions	66
C. Application Submittal Requirements	66
D. General Plan and Zoning Consistency	66
E. Competition Categories and Ongoing Projects	68
F. Scoring	69
G. Multi-year Allotments	70
H. Development Agreement	70
I. Tentative Subdivision Map	71
J. Exercise of Allotments	71
K. Early Start of Construction	71
L. Extensions	72
M. Transfer of Allotments	72

Style Definition: TOC 1

N. On-Going Allotments	73
O. CEQA	73
APPENDIX: RDSCS ORDINANCE (Morgan Hill Municipal Code Chapter 18.156)	74
I. COMPETITION MANUAL OVERVIEW	11
II. COMPETITION CRITERIA SUMMARY	33
A. Criteria and Points Overview	33
B. Specific Criteria and Available Points	33
C. Types of Criteria and Project Scoring Examples	66
D. Minimum Score	88
III. COMPETITION CRITERIA, STANDARDS, AND POINTS	99
1. SCHOOLS	99
2. LOCATION	1111
3. AFFORDABLE HOUSING	1717
4. HOUSING DIVERSITY	2222
5. PARKS AND OPEN SPACE	2828
6. ENVIRONMENTAL PROTECTION	3838
7. TRANSPORTATION	4141
8. MUNICIPAL INFRASTRUCTURE	4646
9. PROJECT QUALITY	5049
IV. RDSCS IMPLEMENTATION POLICIES	5756
A. Schedule for 2017 Competition	5756
B. Exemptions	5857
C. Application Submittal Requirements	5857
D. General Plan and Zoning Consistency	5857
E. Competition Categories and Ongoing Projects	6059
F. Scoring	6160
G. Multi-year Allotments	6261
H. Development Agreement	6261
I. Tentative Subdivision Map	6261
J. Exercise of Allotments	6362
K. Early Start of Construction	6362

<u>L. Extensions</u>	<u>636</u>
<u>M. Transfer of Allotments</u>	<u>646</u>
<u>N. On-Going Allotments</u>	<u>646</u>
<u>O. CEQA</u>	<u>646</u>

APPENDIX: RDCS Ordinance

Commented [JB1]: Update Title 18 reference to :

Commented [GP2]: Numbering to change once document is finalized

I. COMPETITION MANUAL OVERVIEW

This RDCS Competition Manual contains the criteria and standards that the City of Morgan Hill uses to award residential allotments to projects. These criteria and standards are consistent with the RDCS ballot measure approved by the voters in 2016, the RDCS Ordinance in Division IV of the Morgan Hill Development Code, and with the growth management goals and policies in the General Plan.

The RDCS Competition Manual is an official City policy document adopted by the City Council on June 7, 2017 (Section III by Ordinance No. 2248) and June 21, 2017 (Section I, II, and IV by Resolution No. 17-053). The Manual contains the specific rules to award points to competing projects, as well as examples of how these rules are applied and interpreted for sample projects. The Manual will be revised overtime to help the City identify projects that best meet the community's development objectives and award points to competing projects in a predictable and consistent manner. [This manual is implementing Chapter 18.78; in the case of a conflict with Title 18 and this manual, the code shall take precedence.](#)

Following this introduction, [Section II](#) the RDCS Competition Manual presents the nine Objectives, which are categories of RDCS competition criteria established by the RDCS ordinance and lists the individual competition criteria within these nine Objectives. The manual then presents each individual standard and criteria with definitions of terms, rules for scoring projects, and example project scoring as needed. [The competition criteria identified in this Section are intended to be objective, quantifiable, written development standards, conditions, and policies appropriate to, and consistent with, meeting the jurisdictions' share of the regional housing need pursuant to Section 65584 for which all housing development projects must demonstrate compliance. These objective criteria further supplement the zoning standards and design review standards in effect at the time of application.](#) The final section of the manual establishes policies and procedures for administering the RDCS competition and award of allotments. The RDCS ordinance is attached to this manual as an appendix.

The Updated RDCS

The Residential Development Control System (RDCS) is Morgan Hill's voter-approved growth management system that limits the total amount and pace of new residential construction and encourages high-quality development that enhances residents' quality of life. The RDCS was first established in 1977 and has been extended and modified multiple times by voters since then.

In November of 2016 the voters approved the current version of the RDCS, known as Measure S. This updated RDCS establishes a maximum population limit of 58,200 in 2035 and a maximum of 215 allotments available each year. The updated RDCS continues the requirement that a residential development project compete for allotments each year, predicated upon the City awarding allotments to projects based on established scoring criteria. Unlike previous versions of the RDCS, the specific competition criteria ~~is~~[are](#) contained in this Competition Manual, not in the RDCS Ordinance itself.

The RDCS Ordinance contains rules and requirements that may only be modified by the voters as well as content that may be modified by the City Council without voter approval. Content within the Competition Manual which may be modified only by the voters include the nine City Objectives

and limitations regarding the number of points available underwithin these nine Objectives described in the next section. Other contents of this Competition Manual, including the specific competition criteria and standards and the specific point values for each, may be modified by the City Council without voter approval.

RDCS COMPETITION MANUAL

COMPETITION MANUAL OVERVIEW

This page is intentionally blank

Attachment: Revised Competition Manual 07_25_18_Markup (1862 : RDCS Competition Manual)

II. COMPETITION CRITERIA SUMMARY

A. Criteria and Points Overview

Section 18.78.100.A (Competition Criteria) of the RDCS Ordinance states that the Competition Manual must establish the criteria that the City will use to award ~~projects~~ points to competing projects, and these criteria must advance nine specific City Objectives. Table 1 below lists these nine Objectives, identifies the maximum number of points that may be awarded from criteria that advance the Objectives, and shows the percent of the maximum points that may be awarded for each.

TABLE 1: CRITERIA ADVANCING OBJECTIVES

Objective	Maximum Score	
	Points	Percent
1. Schools	12 <u>10</u>	65 <u>5</u> %
2. Location	22	11%
3. Affordable Housing	32 <u>34</u>	16 <u>17</u> %
4. Housing Diversity	23	11.5%
5. Parks and Open Space	29	14.5%
6. Environmental Protection	22	11%
7. Transportation	15	7.5%
8. Municipal Infrastructure	10	5%
9. Project Quality	35	17.5%
Total	200	100%

Section 18.78.100.B (Points) of the RDCS Ordinance states that the cumulative total number of points for competition criteria that advance each of the nine Objectives shall be a minimum of 5 percent (i.e., 10 points) and a maximum of 20 percent (i.e., 40 points) of the maximum total number of RDCS competition points (i.e., 200 points). The City Council may adjust the number of points within each Objective by no more than 15 percent of the points available within the Objective the previous year. For purposes of the RDCS, the term “points available” is intended to mean the Objective maximum points. A 15 percent reduction or increase in points shall be rounded to the closest whole number (e.g. a 15 percent change that is equivalent to 1.8 points, shall be rounded to 2.0 points).

B. Specific Criteria and Available Points

Table 2 shows each of the competition criteria for the nine Objectives, the available points for each competition criteria, and the maximum number of points that may be awarded ~~under~~ within each Objective. Within each Objective there are typically more *available* points than *maximum* points that may be awarded. For example, within the Location Objective there are 36 available points and 22 maximum points. A project may select any of the 36 available points to maximize its score, but may

not be awarded more than 22 points within the Objective. With total available points that exceed maximum points that may be awarded in each Objective, projects have multiple pathways to maximize their scores and may earn points from criteria that are most appropriate for the project type. [Partial points may not be awarded unless specifically stated.](#)

Points are intended to be awarded only for projects that provide for excellence in project design and provide a community benefit that exceeds minimum requirements of the City and other governmental agencies. All projects must comply with City standards established in the General Plan, Municipal Code, and other City rules and regulations together with other applicable laws.

To promote long term consistency and reduce uncertainty for applicants for residential development, the City Council may amend competition criteria and point values in the Competition Manual only when necessary and no more frequently than once per year. Annually the Planning Commission reviews and recommends to the City Council any revisions to the competition criteria and/or point values. If amended, competition criteria and/or point values must be established no later than six months prior to the RDSCS application submittal deadline.

TABLE 2: RDSCS COMPETITION CRITERIA

Criteria	Points Available	Objective Maximum Points
1. Schools	17	1210
1-A: Proximity to Schools	5 (6 Senior)	
1-B: Proximity to Schools with Capacity	2	
1-C: Student Transportation Improvements	10	
2. Location	4042	22
2-A: Central Core	12	
2-B: Infill Corridors	10	
2-C: Adjacent to Development	25	
2-D: Proximity to Daily Needs	5	
2-E: Proximity to Police and Fire Service	5	
2-F: Areas with Public Utility Capacity	5	
3. Affordable Housing	3234	3234
3-A: Affordable Housing Fund Contribution	22 30	
3-B: Development of Affordable Units	22 34	
4. Housing Diversity	3854	23
4-A: Accessory Dwelling Units	26	
4-B: Diversity of Housing Types	8 12	

4-C: Variation in Housing Size	8 12	
4-D: Small Units	8 12	
4-E: Housing Stock Diversity	8	
4-F: Single-Story Homes	3 4	
5. Parks and Open Space	5 962	29
5-A: Park Fund Contribution	6	
5-B: Excess Park Land	5	
5-C: Agriculture Conservation or Open Space Easement	9 12	
5-D: Agriculture Buffer	4	
5-E: Agriculture Preservation or Open Space Fund Contribution	9	
5-F: On-Site Recreational Amenities	8	
5-G: Amenities for All Age Groups	2	
5-H: Public Gathering Places	3	
5-I: Proximity to Public Park	3	
5-J: Open Space Design	10	
6. Environmental Protection	54	22
6-A: Energy Efficiency	6	
6-B: On-Site Solar Energy Generation	10	
6-C: Indoor Water Use	4	
6-D: Outdoor Water Use	12	
6-E: Sustainable Site and Building Design	22	
7. Transportation	31	15
7-A: Bicycle and Pedestrian Improvements	6	
7-B: Transit Improvements	3	
7-C: Off-Site Roadway Improvements or Fund Contribution	6	
7-D: Transportation Demand Management	5	
7-E: Connections to Adjacent Property	3	
7-F: Internal Connections	4	
7-G: EV Charging Stations	4	
8. Municipal Infrastructure	18	10
8-A: Water Infrastructure	3	
8-B: Wastewater Infrastructure	3	
8-C: Storm Water Infrastructure	3	
8-D: Infrastructure and Services Fund Contribution	3	

8-E: Broadband Connectivity	6	
9. Project Quality	58 <u>60</u>	35
9-A: Exterior Building Design	13 <u>15</u>	
9-B: Building Placement and Massing	15	
9-C: Site Improvements	7	
9-D: Vehicle Parking and Access	13	
9-E: Public Art	3	
9-F: Smart Homes	4	
9-G: Project Excellence	3	
Total Points Available	347 <u>372</u>	200

C. Types of Criteria and Project Scoring Examples

There are four general types of RDCS competition criteria: 1) location criteria; 2) qualitative criteria; 3) off-site criteria; and 4) voluntary funding criteria.

Location Criteria

Location criteria award points based on the location of a property within the City of Morgan Hill. These points are awarded based on location and therefore cannot be “earned” through project features or contributions. ~~A total of 46 location~~ Location points are ~~available~~, primarily within the Location Objective but also in the Schools and Parks and Open Space Objectives. Location criteria are intended to encourage and prioritize infill development and housing close to existing services and infrastructure.

Location Criteria Example: Criteria 2-A (Central Core)

~~Under-Within~~ Criteria 2-A (Central Core) a project receives 1 to 12 points depending on its distance from Morgan Hill’s central core. A project that is two miles from the central core would receive 1 point. Projects closer to the central core would receive more points, up to 12 points for projects within the central core. The central core boundaries are shown in Figure 2 in Part 3 of the Competition Manual. The distance from the central core is measured using the minimum distance between any portion of a parcel and the central core boundary measured in a straight line.

Qualitative Criteria

Qualitative criteria award points for improvements and design features located on the development site. ~~Up to 238 qualitative~~ Qualitative points are available, ~~with point opportunities~~ in all Objectives except for Schools and Location. Qualitative points are awarded for project features such as diversity in housing types and sizes, parks and recreational amenities, on-site bicycle and pedestrian facilities, and excellence in site and building design. Qualitative criteria directly benefit project residents as well as the community at large.

Qualitative Criteria Example: Criteria 4-A (Accessory Dwelling Units)

~~Under-Within~~ Criteria 4-A (Accessory Dwelling Units) a project receives 1 to 3 points for incorporating accessory dwelling units on lots with detached single-family homes. An accessory dwelling unit is a secondary dwelling unit located on the same lot as a detached single-family dwelling and may be either attached or detached from the main home. ~~UnderWithin~~ this criteria projects receive 1 point for providing 10 to 20 percent of lots with accessory dwelling units, 2 points for 20 to 30 percent of lots with accessory dwelling units, and 3 points for more than 30 percent of lots with accessory dwelling units.

Off-Site Criteria

Off-site criteria award points for the construction of improvements outside of the project site that would provide a public benefit. ~~A total of 44 off-site p~~Points are available for constructing bicycle, pedestrian, and roadway improvements, establishing an agricultural conservation easement, and constructing public utility improvements. Points awarded for off-site improvements are typically based on the value of the improvement per number of units (e.g., 1 point for \$1,000 in improvement value per unit). In some ~~casescases~~, the City may accept a financial contribution in-lieu of constructing the improvement to better meet community needs.

Off-Site Criteria Example: Criteria 7-C (Off-Site Street and Parking Improvements)

~~Under-Within~~ Criteria 7-C (Off-Site Street and Parking Improvements) a project receives up to 6 points for constructing off-site street roadway improvements or providing funds for the construction of off-site street roadway improvements. A project receives 1 point for every \$1,000 in value of improvement per unit. For example, if a 10-unit project constructs off-site street improvements valued at \$20,000, the project would receive 2 points. To receive these points, the off-site improvement must be voluntary and not otherwise required by the City or any other public agency.

Voluntary Funding Criteria

~~Voluntary funding criteria awards points for financial contributions to City funds used to provide community services and infrastructure. Voluntary contributions are available for affordable housing, parks and open space, agricultural preservation, transportation improvements, infrastructure, and services. Points awarded for voluntary fund contributions are based on the value of the improvement per number of units (e.g., 1 point for \$1,000 in contribution per unit). Points are awarded only for contributions beyond minimum City fees and are separate from any required development impact fees. Voluntary Funding Criteria Example: Criteria 5-E (Agriculture Preservation or Open Space Fund Contribution)~~

~~Voluntary funding criteria awards points for financial contributions to City funds used to provide community services and infrastructure. A total of 41 points are available for contributions to City funds for affordable housing, parks and open space, agricultural preservation, transportation improvements, infrastructure, and services. Points awarded for voluntary fund contributions are based on the value of the improvement per number of units (e.g., 1 point for \$1,000 in contribution per unit). Points are awarded only for contributions beyond minimum City fees and are separate from any required development impact fees.~~

Voluntary Funding Criteria Example: Criteria 5-E (Agriculture Preservation or Open Space Fund Contribution)

~~Under-Within~~ Criteria 5-E (Agriculture Preservation or Open Space Fund Contribution) a project receives up to 9 points for contributing to the City's agriculture preservation or open space fund beyond the minimum requirement. Points awarded are based on amounts established through the City's Special Funds Ordinance (4 points for \$3,899.09 contributed per unit and 9 points for \$7,798.19 contributed per unit). Based on this a 10-unit project that contributes \$38,990.90 would receive 4 points and a 10-unit project that contributes \$77,981.90 would receive 9 points.

In most cases, a project feature or contribution may not earn a project points in more than one criteria. For example, a project that earns points for installing safe-routes-to-school pedestrian improvements ~~under-within~~ Criteria 1-C (Student Transportation Improvements) may not also receive points for the same improvement ~~under-within~~ Criteria 7-A (Bicycle and Pedestrian Improvements). However, there are cases where a project design feature may allow a project to receive points from multiple criteria. For example, a project that incorporates accessory dwelling units may earn points in criteria 4-A (Accessory Dwelling Units) and 4-B (Diversity of Housing Types). Points may be awarded in multiple criteria for a single project feature only where expressly identified in Section III of this manual.

D. Minimum Score

Section 18.78.080.B (Minimum Score) of the RDCS Ordinance states that a project may receive allotments only if it receives a score of at least 80 percent of the total maximum score in the RDCS competition criteria. As shown in Table 1, the total maximum score is 200, ~~so therefore,~~ a project must receive at least 160 points (80 percent of 200) to receive allotments.

To receive allotments, a project must receive a minimum score of 18 points, except as provided for ~~under-within~~ Section III Objective 3 Affordable Housing. For all other Objectives, there is no minimum score to be eligible for allotments. However, to receive at least 160 points, a project would need to receive points from criteria ~~withinunder~~ at least six of the nine Objectives, if not more.

RDCS criteria and point values have been designed to provide a realistic pathway for all types of projects to achieve a minimum score through location and qualitative criteria points. ~~Based on previous RDCS competitions, it~~ It is expected that many projects will elect to receive points from off-site and funding contribution in order to achieve a winning score and receive allotments.

III. COMPETITION CRITERIA, STANDARDS, AND POINTS

1. SCHOOLS

Intent: Support safe and convenient access to schools and promote high quality schools in Morgan Hill.

Points Available: See Table 3.

TABLE 3: SCHOOL POINTS AVAILABLE

Criteria	Points Available	
1-A: Proximity to Schools	5	
1-B: Proximity to Schools with Capacity	2	
1-C: Student Transportation Improvements	10	
Total	17	12-10 Maximum

Criteria 1-A: Proximity to Schools

Standard: The project is within walking distance of one or more Morgan Hill Unified School District (MHUSD) schools.

Points: See Table 4.

TABLE 4: POINTS FOR PROXIMITY TO SCHOOL

Project Location	Points
Walking distance from one school (elementary, middle, or high school)	2
Walking distance from two schools, each serving different grade levels (elementary, middle, or high school)	5

Total Available Points: 5

Senior Projects. Housing projects for senior citizens as defined in Section 51.2 of the State Civil Code will receive an automatic 6 points regardless of proximity to schools.

Scoring Instructions: A project is within walking distance of a school if it is 0.75 miles or less from an elementary school and 1.5 miles or less from a middle or high school.

To be eligible for points, students must be able to walk along a safe route from the project to the school as determined by the MHUSD. A safe route means a continuous sidewalk, pedestrian path, or trail with street crossings, intersection controls, and other physical improvements that reduce potential conflicts between pedestrians, bicyclists, and vehicles. A safe route must be in place at time of application submittal or established by the applicant within the first year of project construction.

The distance to a school is measured as the lineal distance a student would walk, from the project point of entrance nearest to the school to the nearest entrance point of the school grounds.

Schools eligible for points include any MHUSD school or charter school included on the MHUSD official list of existing and planned schools. MHUSD schools and programs which serve all students in the district and don't have specific boundaries (e.g., Community Adult School, Continuation High School) are not eligible for points.

Scoring Example: A project located within walking distance of an elementary school would receive two points. If the project is within walking distance of both an elementary and a middle school, the project would receive five points.

Criteria 1-B: Proximity to Schools with Capacity

Standard: The project is located within walking distance of one or more Morgan Hill Unified School District (MHUSD) schools with capacity to serve new students.

Total Available Points: 2 points

Scoring Instructions: To be eligible for points, the project must be located within walking distance of an elementary, middle, or high school that has capacity to house the number of students that the development would yield as determined by the MHUSD in writing prior to the RDCS competition application deadline.

For multi-year projects, the project shall retain the points received during the first phase.

The requirements for walking distance, safe routes to schools, rules of measurement, and eligible schools for Criteria 1-B above also apply to Criteria 1-C.

Criteria 1-C: Student Transportation Improvements

Standard: The project contributes funds or constructs off-site pedestrian, bicycle and/or vehicle access improvements for Morgan Hill Unified School District (MHUSD) schools within the Morgan Hill Sphere of Influence.

Points: 1 point for every \$1,000 of improvement value per unit; and/or 1 point for every \$1,000 in funds contributed per unit.

Total Available Points: 10 points

Scoring Instructions: A project may receive points if it constructs sidewalks, pedestrian paths, trails with street crossings, intersection controls, vehicle access enhancements, and other physical improvements that reduce potential conflicts between pedestrians, bicyclists, and vehicles. Improvements must facilitate a safe route to school for pedestrians and bicyclists from the project to a MHUSD school. A project may also receive points for contributing funds to the City's Safe Access to Schools Fund to be used by the City to construct physical improvements to enhance safe student access to MHUSD schools [including a project that is not within walking distance of an eligible school as provided in Criteria 1-B.](#)

2. LOCATION

Intent: Encourage infill projects adjacent to existing development and close to existing community services and facilities.

Points Available: See Table 5.

TABLE 5: LOCATION POINTS AVAILABLE

Criteria	Points Available	
2-A: Central Core	12	
2-B: Infill Corridors	10	
2-C: Adjacent to Development	5	
2-D: Proximity to Daily Needs	5	
2-E: Proximity to Police and Fire Service	5	
2-F: Areas with Public Utility Capacity	5	
Total	42	22 Maximum

Criteria 2-A: Central Core

Standard: The project is in or near Morgan Hill's central core.

Points: See Table 6.

TABLE 6: POINTS FOR CENTRAL CORE

Project Distance from Central Core	Points
Within two miles	2
Within one mile	4
Within three-quarters mile	6
Within one-half mile	8
Within one-quarter mile	10
Within the Central Core	12

Total Available Points: 12

Scoring Instructions: Central core boundaries are shown in Figure 1. The distance from the central core is measured using the minimum distance between any portion of a parcel and the central core boundary measured in a straight line.

If any portion of a project is within a distance from the central core shown in Table 6, the project may receive the total number of points corresponding to that distance. For example, if any portion of the project area is within a half mile of the central core, the project may receive 4-8 points.

FIGURE 1: CENTRAL CORE BOUNDARIES

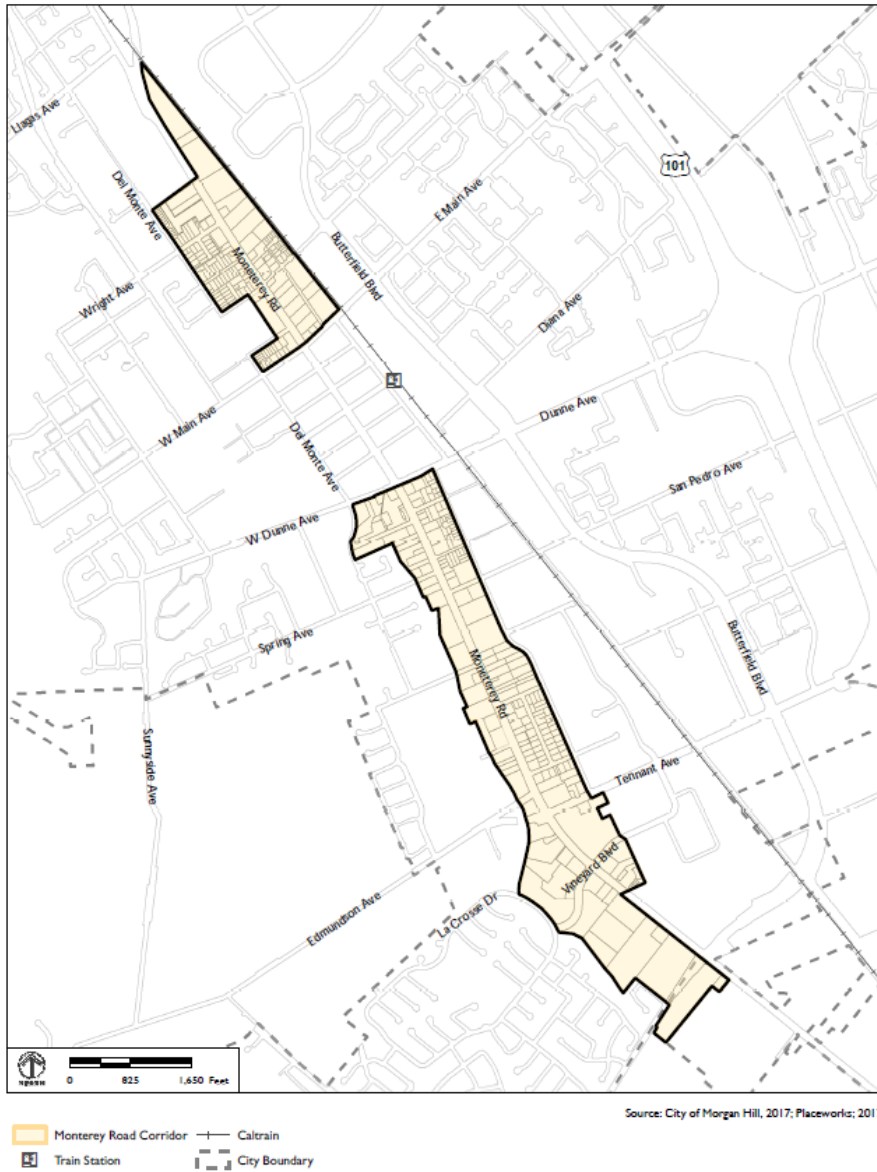
**Criteria 2-B: Infill Corridors**

Standard: The project is located in an infill corridor as shown in Figure 2.

Points: 10 points for projects located in the Monterey Road infill corridor.

Total Available Points: 10

FIGURE 2: INFILL CORRIDORS



Criteria 2-C: Adjacent to Development

Standard: The project is adjacent to land that is developed, utilized to its ultimate potential, or that requires no further discretionary approvals for development.

Points: See Table 7.

TABLE 7: POINTS FOR ADJACENT TO DEVELOPMENT

Percent of Project Boundary Adjacent to Existing Development	Points
25% to less than 50%	2
50% to less than 75%	3
75% to 100%	5

Total Available Points: 5

Scoring Instructions: A project boundary is adjacent to existing development if the project boundary abuts the property line of the adjacent development or is across a street from the existing development. Existing development means the following:

- Property in Morgan Hill's city limits with at least 95 percent of its contiguous land area developed or utilized to its ultimate potential use according to the General Plan or applicable zoning.
- Land in unincorporated Santa Clara County owned or under control (i.e., permanent easement) of a public agency that is developed or utilized to its ultimate potential use according to the County's General Plan or applicable zoning.
- Privately owned, non-agricultural (designated Rural County or greater) land in unincorporated Santa Clara County that is utilized to its ultimate potential according to the City's General Plan.
- Undeveloped property which by RDCS Application submittal deadline of the competition year has received final map approval, tentative map and development agreement approval for projects with previously completed phase(s), or for which building permits have been issued.

Criteria 2-D: Proximity to Daily Needs

Standard: The project is within walking distance of non-residential land uses that meet residents' daily needs.

Points: See Table 8.

TABLE 8: POINTS AVAILABLE FOR PROXIMITY TO DAILY NEEDS

Project Distance from Two or More Different Land Use Categories	Points
Within three-quarters mile	1
Within one-half mile	3
Within one-quarter mile	5

Total Available Points: 5

Scoring Instructions: Land use categories are as follows:

1. Community-serving retail, such as a supermarket, pharmacy, or convenience store.
2. Restaurants and cafes.
3. Personal services, such as bank, salons, and medical offices.
4. Public and quasi-public uses such as places of worship; community centers; and parks, trails and recreational facilities.
5. An existing or planned bus or rail transit stop or station.

A single establishment may not be counted in two categories (e.g., retail establishment may be counted only once even if it also contains a café). Establishments in a mixed-use building may each count if they are distinctly operated enterprises with separate exterior entrances. No more than two of the minimum number of land use categories can be situated in a single building or under a common roof.

The distance to a land use category is measured as the lineal distance a pedestrian would walk, from the average center point of housing in a project to the nearest entrance point of the land use category.

Criteria 2-E: Proximity to ~~Police and Fire Service~~Emergency Services

Standard: The project is located within the established response time ~~for emergency services of one or more fire stations.~~

Points: See Table 9.

TABLE 9: POINTS AVAILABLE FOR PROXIMITY TO ~~FIRE STATIONS~~EMERGENCY SERVICES

Standard	Points
The project is located within the established response time of the police station	2
The project is located within 5 minutes the established response time standard of one fire station	1
The project is located within 6 minutes of two fire stations	2
The project is located within the established response time standard of two or more 8 minutes of three fire stations	3

Total Available Points: 5

Scoring Instructions: Determinations of whether a project is located within an established response time and eligible for points ~~under within this criteria~~ these criteria shall be made by the Community Development Director in consultations with the City of Morgan Hill Police and Fire Departments.

Three fire stations serve Morgan Hill: the El Toro Fire Station (18300 Old Monterey Road) the Dunne Hill Fire Station, (2100 E. Dunne Avenue), and the CAL FIRE station (15670 Monterey Road). ~~The Fire Department's current response time is eight minutes.~~

The Morgan Hill Police Department headquarters is located at 16200 Vineyard Boulevard. The Police Department's aims to respond to Priority One calls within 5 minutes and Priority Two calls within 8 minutes.

Criteria 2-F: Areas with Public Utility Capacity

Standard: The project is located in areas with sufficient public utility capacity to serve the project.

Points: See Table 10.

TABLE 10: POINTS FOR PROXIMITY TO MUNICIPAL SERVICES AND FACILITIES

Standard	Points
Local water distribution lines are of sufficient size to serve the proposed project. The project does not require replacing existing local water distribution lines with larger diameter pipes. New water mains to serve the site do not need to be installed.	2
The existing wastewater collection system is sufficient to serve the proposed project. The project does not require extending or replacing existing sewer pipes or lift stations outside of the project site.	2
Existing off-site storm drainage facilities are sufficient to serve the project.	1

Total Available Points: 5

3. AFFORDABLE HOUSING

Intent: Increase the supply of affordable housing in Morgan Hill in the extremely low income (0-30% Area Median Income), very low income (30-50% Area Median Income), and the moderate category (81-120% Area Median Income).

The City is in its 5th Regional Housing Needs Allocation (RHNA) Housing Element Cycle. The current Housing Element “cycle” is for Housing Element Planning Period: January 31, 2015 to January 31, 2023. The City’s Housing Element is in compliance until January 31, 2023. Permits issued on or before December 31, 2022 will be included in this reporting period. The California Department of Housing and Community Development (HCD) publishes official State maximum income limits which are based on surveys of local area AMI. The commonly used income categories for households in Santa Clara County are subject to variations for household size and other factors.

“AMI” means Area Median Income for Santa Clara County as established by the U.S. Department of Housing and Urban Development (HUD)

Santa Clara County AMI: The 2018 Median Income for a family of four in Santa Clara County is \$125,200, adjusted by household size.

HCD Income Limits (Published April 26, 2018)

Source: <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/inc2k18.pdf>.

# of Persons in the Household	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>
<u>Extremely Low</u>	<u>27,950</u>	<u>31,950</u>	<u>35,950</u>	<u>39,900</u>	<u>43,100</u>	<u>46,300</u>	<u>49,500</u>	<u>52,700</u>
<u>Very Low</u>	<u>46,550</u>	<u>53,200</u>	<u>59,850</u>	<u>66,500</u>	<u>71,850</u>	<u>77,150</u>	<u>82,500</u>	<u>87,800</u>
<u>Lower</u>	<u>66,150</u>	<u>75,600</u>	<u>85,050</u>	<u>94,450</u>	<u>102,050</u>	<u>109,600</u>	<u>117,150</u>	<u>124,700</u>
<u>Median</u>	<u>87,650</u>	<u>100,150</u>	<u>112,700</u>	<u>125,200</u>	<u>135,200</u>	<u>145,250</u>	<u>155,250</u>	<u>165,250</u>
<u>Moderate</u>	<u>105,200</u>	<u>120,200</u>	<u>135,250</u>	<u>150,250</u>	<u>162,250</u>	<u>174,300</u>	<u>186,300</u>	<u>198,350</u>

Points Available: See Table 11.

TABLE 11: AFFORDABLE HOUSING POINTS AVAILABLE

Criteria	Points Available	
3-A: Affordable Housing Fund Contribution	22 or 32 depending on project type 30	
3-B: Development of Affordable Units	32 34	
Total	32 64	32-34 Maximum

Minimum Score: 18 (for-sale projects) and 10 (rental projects)

***Unlike other objectives, projects must receive a minimum score in the Affordable Housing Objective to be eligible for allotments.** The minimum score is 18 points for projects where individual units will be sold to buyers (for-sale projects) and 10 points for projects where individual units will be occupied by renters (rental projects).

~~**Automatic Points – Rental Projects.** Rental projects shall receive an automatic 10 points within this Objective without contributing to the City's affordable housing fund or constructing BMR units. However, if the State adopts legislation specifically authorizing cities to establish inclusionary housing requirements for rental housing, rental projects will not receive automatic points and must contribute to the City's affordable housing fund and/or construct BMR units to receive points.~~

Commented [GP3]: This requirement would be removed if the City adopts an Inclusionary Ordinance.

Criteria 3-A: Affordable Housing Fund Contribution

Standard: The project makes a voluntary contribution to the City's affordable housing fund.

Points: ~~30~~ See the following tables:

~~Table 12 for projects with 12 units or more, excluding single family detached projects where all home lots are 12,000 square feet or more.~~

~~See Table 13 for single family detached projects with 12 units or more where all home lots are 12,000 square feet or more.~~

~~See Table 14 for projects with 11 units or less, including single family detached projects where all home lots are 12,000 square feet or more.~~

TABLE 12: POINTS FOR CONTRIBUTION TO AFFORDABLE HOUSING FUND ~~—PROJECTS WITH 12 OR MORE UNITS EXCLUDING SINGLE-FAMILY DETACHED PROJECTS WHERE ALL HOME LOTS ARE 12,000 SQUARE FEET OR MORE~~

Contribution to Affordable Housing Fund	Points
20% of baseline contribution	2
30% of baseline contribution	4
40% of baseline contribution	6
50% of baseline contribution	8

60% of baseline contribution	10
70% of baseline contribution	12
80% of baseline contribution	14
90% of baseline contribution	16
Baseline contribution	18
110% of baseline contribution	20
120% of baseline contribution	22

<u>Contribution to Affordable Housing Fund</u>	<u>Points</u>
<u>20% of baseline contribution</u>	<u>2</u>
<u>30% of baseline contribution</u>	<u>4</u>
<u>40% of baseline contribution</u>	<u>6</u>
<u>50% of baseline contribution</u>	<u>8</u>
<u>60% of baseline contribution</u>	<u>9</u>
<u>70% of baseline contribution</u>	<u>10</u>
<u>80% of baseline contribution</u>	<u>11</u>
<u>90% of baseline contribution</u>	<u>12</u>
<u>Baseline contribution</u>	<u>18</u>
<u>1% above baseline contribution</u>	<u>20</u>
<u>2% above baseline contribution</u>	<u>22</u>
<u>3% above baseline contribution</u>	<u>24</u>
<u>4% above baseline contribution</u>	<u>26</u>
<u>5% above baseline contribution</u>	<u>30</u>

Total Available Points: 30

Scoring Instructions: Points shall be awarded consistent with the City of Morgan Hill's Inclusionary Housing Ordinance. A project may receive points for incorporating BMR units within the project and for contributing to the City's Affordable Housing Fund provided the total number of combined points awarded from both Criteria 3-A and 3-B does not exceed 34.

TABLE 13: POINTS FOR CONTRIBUTION TO AFFORDABLE HOUSING FUND — SINGLE-FAMILY DETACHED PROJECTS WITH 12 UNITS OR MORE WHERE ALL HOME LOTS ARE 12,000 SQUARE FEET OR MORE

<u>Contribution to Affordable Housing Fund</u>	<u>Points</u>
--	---------------

20% of baseline contribution	2
30% of baseline contribution	4
40% of baseline contribution	6
50% of baseline contribution	8
60% of baseline contribution	10
70% of baseline contribution	12
Baseline contribution	18
150% of baseline contribution	28

TABLE 14: POINTS FOR CONTRIBUTION TO AFFORDABLE HOUSING FUND — PROJECTS WITH 11 UNITS OR LESS

Contribution to Affordable Housing Fund	Points
Baseline contribution	26
110% of baseline contribution	29
120% of baseline contribution	32

Total Available Points: 22 for projects with 12 units or more, 32 for projects with 11 units or less, 29 for single-family detached projects with 12 or more units and all home lots 12,000 square feet or more.

Scoring Instructions: The baseline contribution to the City's affordable housing fund is set by the City Council and may change from year to year. In 2016, the City Council set the baseline contribution at \$12.92 per square foot of livable space of the entire project. A project with 12 or more units receiving points for contributing to the City's affordable housing fund may also receive points for incorporating BMR units within the projects from Criteria 3-B provided the total number of combined points awarded from both Criteria 3-A and 3-B does not exceed 24. A project with 11 units or less may receive points only from Criteria 3-A or 3-B, not both. The City uses 12 units as the threshold because a project with 12 units can build one on-site BMR unit (8 percent of total project units) whereas a project with 11 or fewer units cannot.

Project Scoring Example: A proposed project contains 56 units, each with 2,000 square feet of floor area, with 112,000 square feet total within the project. The baseline contribution would be \$1,447,000 ($112,000 \times \12.92) or \$25,840 per unit. If the project contributes the baseline amount of \$1,447,000, the project would receive 18 points. If the project contributes 120 percent baseline contribution (\$1,736,000), the project would receive 22 points.

Criteria 3-B: Development of Affordable Units

Standard: The project incorporates below market rate (BMR) units within the project [for a mixed income community](#).

Points: See Tables [15](#), [16](#), [17](#) and [18](#).

TABLE 4513: POINTS FOR DEVELOPMENT OF AFFORDABLE UNITS, MARKET RATE FOR-SALE PROJECTS

Percent of Total Project Units			Points
70% AMI	80% AMI	90% - 120% AMI (see scoring instructions)	
-	4%	4%	20
4%	-	4%	24
-	6%	2%	28
8%	-	-	34
Percent of Total Project Units available at an affordable AMI level (to be included in State HCD annual report)			Points
Total	81% AMI (Moderate)	90% - 120% AMI (Moderate) (see scoring instructions)	
15%	6%	9%	20
15%	7%	8%	22
15%	8%	7%	26
15%	9%	6%	30
15%	10%	5%	34

Project Scoring Example: A proposed project contains 56 units. The project provides 15% of the total units within the project as affordable, 6% of the project at the 81% AMI moderate level, and 9% percent of the project at the 90%-120% moderate level for a total of 15%. The project would receive 20 points for providing 8.4 affordable units within the project.

TABLE 4614: POINTS FOR DEVELOPMENT OF AFFORDABLE UNITS, 100 PERCENT AFFORDABLE FOR-SALE PROJECTS

Percent of Total Project Units					Points
70% AMI	80% AMI	90% AMI	100% AMI	120% AMI	
-	-	20%	40%	40%	20
		20%	50%	30%	24
	10%	10%	40%	40%	28
20%	30%	30%	20%	-	34
<u>100% Affordable For-Sale Projects with various Moderate affordability levels within the project</u>					<u>Points</u>
	<u>81% AMI Moderate</u>	<u>90% AMI Moderate</u>	<u>100% AMI Moderate</u>	<u>120% AMI Moderate</u>	
<u>100% Affordable</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>26</u>
<u>100% Affordable</u>	<u>30%</u>	<u>24%</u>	<u>23%</u>	<u>23%</u>	<u>28</u>
<u>100% Affordable</u>	<u>35%</u>	<u>22%</u>	<u>22%</u>	<u>21%</u>	<u>32</u>
<u>100% Affordable</u>	<u>40%</u>	<u>20%</u>	<u>20%</u>	<u>20%</u>	<u>34</u>

TABLE 4715: POINTS FOR DEVELOPMENT OF DEED RESTRICTED AFFORDABLE RENTAL UNITS, MARKET RATE PROJECTS

Percent of Total Project Units			Points	
30% AMI	50% AMI	80% AMI		
-	-	8%	20	
-	4%	4%	24	
-	6%	2%	28	
4%	4%	-	34	
	Percent of Total Project Units		Points	
Total	30% AMI ELI ELI	50% AMI VII VLI	81-120% 51-80% AMI Moderate LI	
15%	34%	34%	97%	20
15%	45%	45%	75%	26
15%	56%	5%	54%	30
15%	6%	6%	3%	34

TABLE 4816: POINTS FOR DEVELOPMENT OF AFFORDABLE UNITS, 100 PERCENT AFFORDABLE RENTAL PROJECTS

Percent of Total Project Units			Points
30% AMI	50% AMI	80% AMI	

-	30%	70%	20
5%	35%	60%	24
10%	40%	50%	28
10%	50%	40%	34

	Percent of Total Project Units			Points
Total	30% ELI AMI ELI	50% VLI AMI VLI	80% LI AMI LI	
100%	20%	45%	35%	22
100%	30%	40%	30%	26
100%	40%	35%	25%	30
100%	50%	30%	20%	34

Table 17: POINTS FOR DEVELOPMENT OF DEED RESTRICTED FOR-SALE AFFORDABLE UNITS (DOWNTOWN PROJECTS)

	Percent of Total Project Units		Points
Total	81% AMI Moderate AMI (Moderate)	90-120% AMI Moderate AMI Moderate	
10%	3%	7%	18
10%	4%	6%	26
10%	5%	5%	30
10%	6%	4%	34

TABLE 18: POINTS FOR DEVELOPMENT OF DEED RESTRICTED RENTAL AFFORDABLE UNITS (DOWNTOWN PROJECTS)

	Percent of Total Project Units		Points
Total	50% AMI VLI LI ELI	81-120% AMI Moderate	
10%	35%	75%	18
10%	46%	64%	26
10%	57%	53%	30
10%	68%	42%	34

Total Available Points: ~~32~~34

Scoring Instructions: Points shall be awarded and monitored consistent with the City of Morgan Hill's Below Market Rate Housing Program policies and procedures. When a calculation produces a fraction of a unit less than one-half, the applicant shall pay the corresponding fraction of the standard housing fee. A fraction of one-half or greater requires one additional BMR unit. If a project receives the maximum ~~32~~ 34 points for constructing BMR units and pays the corresponding fraction of the standard housing fee, the project does not receive additional points for the fractional housing fee. A project with 12 units or more

receiving points for incorporating BMR units within the project may also receive points for contributing to the City's affordable housing fund from Criteria 3-A provided the total number of combined points awarded from both Criteria 3-A and 3-B does not exceed ~~32~~³⁴.

~~Affordability levels to receive points for units affordable at the "90% to 120% AMI" level in a market rate for sale project (Table 13) depend on the unit type, as follows:~~

- ~~• Multi-Family (Condominiums): 90% AMI~~
- ~~• Attached Single Family: 100% AMI~~
- ~~• Small Detached Single Family (up to 2,000 square feet): 110% AMI~~
- ~~• Large Detached Single Family (up to 2,000 square feet): 120% AMI~~

~~For market rate for-sale or rental projects (Tables ~~15~~¹³, 15, 17 and 18) to be eligible for points, BMR units must comply with the City Council approved BMR unit policies, including but not limited to the following: BMR units must be distributed throughout project and integrated with the market rate units rather than separated from the market rate units and/or concentrated together within one location within the project.~~

~~The floor area of each BMR unit shall be no less than the floor area of the smallest market rate unit of the same housing type.~~

~~Housing type (e.g., detached single family home, multi family) for the BMR units must be generally proportionate to the market rate housing type(s) within the project. For example, if two-thirds of the units in a project are detached single family homes and one-third are multi family, roughly two-thirds of the BMR units must be located in the single family portion of the project.~~

~~BMR units for a detached single family project may be in the form of duets if duets are a permitted housing type in the applicable zoning district (e.g., R-1 7,000 and R-1 9,000). Triplex BMR units are allowed in zoning districts that permit duplex units. Only one BMR unit is allowed per duplex or triplex building.~~

4. HOUSING DIVERSITY

Intent: Encourage a diverse housing stock in Morgan Hill.

Points Available: See Table 19.

TABLE 19: HOUSING DIVERSITY POINTS AVAILABLE

Criteria	Points Available	
4-A: Accessory Dwelling Units	36	
4-B: Diversity of Housing Types	812	
4-C: Variation in Housing Size	812	
4-D: Small Units	812	
4-E: Housing Stock Diversity	8	
4-F: Single-Story Homes	34	
Total	3854	23 Maximum

Criteria 4-A: Accessory Dwelling Units

Standard: The project incorporates accessory dwelling units on lots with detached single-family homes.

Points: See Table 20.

TABLE 20: POINTS FOR ACCESSORY DWELLING UNITS

Percentage of Detached Single-Family Lots with Accessory Dwelling Units	Points
10 to 20 percent	12
20-21 to 30 percent	24
More than 30 percent	36

Total Available Points: ~~36~~

Scoring Instructions: Accessory dwelling units are secondary dwelling units located on a lot occupied by a detached single-family dwelling. Accessory dwelling units must be a permanent structure and include provisions for living, sleeping, eating, cooking, and sanitation and have a private entry accessed from the exterior of the building. Accessory dwelling units may be either detached from or attached to the primary dwelling on the lot. To be eligible for points, accessory dwelling units must comply with development standards for new secondary units in Chapter 18.55 (Secondary Dwelling Units) in the Zoning Code.

Scoring Example: A project contains 10 single-family detached homes and 10 single-family attached (townhome) units. Two of the detached single-family homes feature an accessory dwelling unit on the

same lot. The project would receive 2 points as twenty percent of the detached single-family lots contain accessory dwelling units.

Criteria 4-B: Diversity of Housing Types

Standard: The project contains a diversity of housing types.

Points: See Table 21 and 22.

TABLE 21: POINTS AVAILABLE FOR DIVERSITY OF HOUSING TYPES FOR PROJECTS WITH 16 OR MORE UNITS.

Number of Different Housing Types in the Project	Points
2	4
3	8

TABLE 22: POINTS AVAILABLE FOR DIVERSITY OF HOUSING TYPES FOR PROJECTS WITH UP TO 15 UNITS.

Number of Different Housing Types in the Project	Points
2	8
3	12

Total Available Points: 8 for projects with 16 or more units. 12 for projects with up to 15 units.

Scoring Instructions: To be eligible for points, a housing type must constitute at least 10 percent of total number of units in the project. Different housing types are defined as follows:

- Multiple-Story Detached Single-Family Home.** ~~A detached building that contains one single-family dwelling with~~ A residential structure on its own lot designed for occupancy by one household with two or more stories of living space.
- Single-Story Detached Single-Family Home.** ~~A detached building that contains one single-family dwelling. A residential structure on its own lot designed for occupancy by one household~~ with one story of living space.
- ~~**Accessory Dwelling Unit.** A self-contained living unit, either attached to or detached from, and in addition to, the primary residential unit on the parcel. An accessory dwelling unit located on the same lot as a detached single-family home. Accessory dwelling units may be attached to or detached from the primary home on the lot.~~
- ~~**Single-Family Attached.** Three or more single-family dwelling units connected by common walls along the side property lines, sometimes called a townhouse or row house. Excludes "duplexes" and "duets." Single-family homes attached to one or more other single-family homes in a linear arrangement, either as multiple townhome units per parcel or one townhome unit per parcel.~~
- Courtyard Housing.** Detached or attached single-family homes with unit entrances oriented toward a shared common area /communal courtyard (and not an interior corridor or street).

- 6. Custom Lots.** Lots left undeveloped for future development by the lot buyer.
- 7. Duet.** A residential structure that contains two independent dwelling units, each with its own entrance that are separated by a property line along a shared building wall with each unit located on a separate lot.
- 8. Duplex or Duet.** A single residential structure on one lot that contains two independent dwelling units, each with its own entrance. ~~A building that contains two dwelling units, each with its own entrance.~~
- 9. Townhouse.** A series of three or more adjacent single-family dwelling units, each on an independent parcel, which are connected by common walls along the side property lines.
- 10. Triplex or Quadplex.** A single residential structure that contains three or four dwelling units, with each unit having its own entrance.
- 11. Multi-Family.** A building that contains three or more dwelling units, with each unit providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation. Includes multi-family senior housing limited to occupancy by persons 55 years of age or older for residents who are independent and do not require assistance with everyday living ("independent living"). ~~A structure that contains three or more dwelling units that share one or more common entries.~~
- 12. Vertical Mixed Use Residential.** A development project with both residential and commercial/office uses which are either 1) located together in a single building; or 2) in separate buildings on a single site of one or more contiguous properties. ~~A building with commercial uses on the ground floor and three or more multi-family or condominium units on the upper floors.~~

A unit may qualify as only one housing type even if it meets the definition for two or more housing types. For example, a single-story detached single-family home oriented towards a shared common area may ~~quality~~ qualify only as courtyard housing (housing type number 5 above), not courtyard housing and single-story detached single-family home (housing type number 2 above).

Scoring Examples: A 100-unit project with 90 detached single-family homes and 10 townhome units would receive six points as both the detached single-family homes and townhome units constitute 10 percent or more of the total project units. A 100-unit project with 50 detached single-family homes, 25 duplex units, 25 townhome units, and 25 single-story detached single-family homes would receive 12 points as the three housing types each constitute 10 percent or more of the total project units.

Criteria 4-C: Variation in Housing Size

Standard: The project includes a diversity of housing sizes.

Points: See Tables 23 and 24.

TABLE 23: POINTS AVAILABLE FOR DIVERSITY OF HOUSING SIZE FOR PROJECTS WITH 16 OR MORE UNITS.

Number of Different Housing Size Categories in the Project	Points
2	3
3	6
4	8

TABLE 24: POINTS AVAILABLE FOR DIVERSITY OF HOUSING SIZE FOR PROJECTS WITH UP TO 15 UNITS.

Number of Different Housing Size Categories in the Project	Points
2	6
3	9
4	12

Total Available Points: 8 for projects with 16 or more units. 12 for projects with up to 15 units.

Scoring Instructions: Diversity of housing types is calculated by determining the percent of units that are in two or more housing size categories. Housing size categories for multi-family projects is based on the number of bedrooms. For all other housing types housing size categories are based on square footage of the unit. To be eligible for points, the number of units in a housing size category must constitute at least 10 percent of total number of units in the project.

Housing size categories for multi-family housing types are as follows:

1. Studio apartment
2. One-bedroom
3. Two-bedroom
4. Three-bedroom
5. Four-bedroom or more

For all other housing types (single-family detached, duplex, etc.) and for projects with both multi-family units and other housing types, a project shall be considered to have two or more different size categories only if there is a minimum 35 percent variation between the smallest and largest floor plan the project. In such a case, every floor plan that varies in size from another floor plan by 200 square feet or more shall be considered a different housing size category.

Scoring Example: A proposed project contains ten detached single-family homes with two different floor plans. The smaller floor plan is 2,000 square feet and the larger floor plan is 3,000 square feet. The project would receive six points because there is 50 percent variation in size between the smallest and largest floor plans and more than 200 feet in variation between the two floor plans.

Criteria 4-D: Small Units

Standard: The project includes small dwelling units.

Points: See Table 25.

TABLE 25: POINTS AVAILABLE FOR SMALL UNITS

Percent Small Units	Points
10	4
20	5 6
30	6 8
40	7 10
50 or more	8 12

Total Available Points: ~~8~~12

Scoring Instructions: Small units are defined as follows:

- **Detached Single-Family Home:** Less than 1,700 square feet
- **Single-Family Attached:** Less than 1,500 square feet
- **Duplex or Duet:** Less than 1,500 square feet
- **Triplex or Quadplex:** Less than 1,250 square feet
- **Multi-Family:** Less than 1,000 square feet (rental); 1,200 square feet (ownership)

Unit square footage means total livable building area excluding garages. Unit type definitions are the same as in Criteria 4-B.

Scoring Example: A 100-unit project with 10 detached single-family homes less than 1,700 square feet would receive 4 points. A 100-unit project with 10 detached single-family homes less than 1,700 square feet and 10 duplex units less than 1,250 square feet would receive ~~6~~8 points.

Criteria 4-E: Housing Stock Diversity

Standard: The project adds housing types that are underrepresented in Morgan Hill's citywide housing stock.

Points: See Table 26.

TABLE 26: POINTS AVAILABLE FOR HOUSING STOCK DIVERSITY

Housing Type	Points
Courtyard Housing	4
Multi-Family Owner Occupied	6
Market-rate Senior	8

Multi-Family Rental	8
Vertical Mixed Use (owner-occupied or rental)	8

Total Available Points: 8

Scoring Instructions: Unit type definitions are the same as in Criteria 4-B. To be eligible for points, the housing type must constitute 75 percent or more of the total project housing units.

Scoring Example: A 100-unit project with 25 detached single-family homes and 75 townhomes would receive 4 points. A 100-unit project with 40 detached single-family homes and 60 townhomes would not receive any points underwithin this criteria, but may be eligible for points underwithin Criteria 4-B.

Criteria 4-F: Single-Story Homes

Standard: The project includes single-story single-family homes.

Points: See Table 27.

TABLE 27: POINTS FOR SINGLE-STORY SINGLE-FAMILY HOMES

Percentage of Single-Story Single-Family Homes	Points
25 percent	1
50 percent	2
75 percent	3
100 percent	4

Total Available Points: 4

Scoring Instructions: Percentage is calculated by dividing the number of single-story single-family homes in the project by the total number of units (regardless of type) within the project. A story is defined in accordance with Zoning Code Section 18.04.415 (Story).

Scoring Example: A 100-unit project that includes 50 single-story detached single-family homes would receive 2 points. If all units within the project are single-story detached single-family homes, the project would receive 4 points.

5. PARKS AND OPEN SPACE

Intent: Provide high quality parks and recreational facilities, encourage publicly accessible outdoor amenities, and preserve open space and agricultural land.

Points Available: See Table 28.

TABLE 28: PARKS AND OPEN SPACE POINTS AVAILABLE

Criteria	Points Available	
5-A: Park Fund Contribution	6	
5-B: Excess Park Land	5	
5-C: Agriculture Conservation or Open Space Easement	9 12	
5-D: Agriculture Buffer	4	
5-E: Agriculture Preservation or OS Fund Contribution	9	
5-F: On-Site Recreational Amenities	8	
5-G: Amenities for All Age Groups	2	
5-H: Public Gathering Places	3	
5-I: Proximity to Public Park	3	
5-J: Open Space Design <u>and Outdoor Amenities</u>	10	
Total	62 9	29 Maximum

Criteria 5-A: Park Fund Contribution

Standard: The project contributes to the City's park fund beyond the minimum requirement.

Points: 1 points for every \$1,000 contributed per unit.

Total Available Points: 6

Scoring Instructions: To be eligible for points, the project must contribute funds in addition to the minimum required park impact fee and fees in lieu of park land dedication. Contributed funds may be used by the City to fund acquisition and maintenance of parks.

The required park impact fee is identified in the current City of Morgan Hill Fee Schedule as adopted by the City Council. Minimum requirements for payment of fees in lieu of park land dedication ~~are~~ are established in Chapter 17.28 (Land Dedications and Reservations) in Title 17 (Subdivisions) of the Morgan Hill Municipal Code. The Community Development Director shall estimate the minimum park land dedication in-lieu fee for competing projects using the standards and formula in Chapter 17.28 (Land Dedications and Reservations). Minimum in-lieu fee estimates are prepared only for the purpose of

awarding points for the RDCS competition. Actual in-lieu fee requirements will be determined at the time of subdivision approval and may be different from these estimates.

Criteria 5-B: Excess Park Land

Standard: The project provides land for parks beyond the minimum City park land requirement.

Points: See Table 29.

TABLE 29: POINTS FOR EXCESS PARK LAND

	Points
Park Land Provided in Excess of Minimum City Requirement	16 or more units
10%	<u>31</u>
20%	<u>42</u>
30%	<u>53</u>
40%	<u>64</u>
50%	<u>75</u>

*Includes custom lot projects

Total Available Points: 75

Small and Micro Projects: Projects with up to 15 units, including custom lot projects, shall automatically receive 75 points underwithin Criteria 5-B without dedicating any park land.

Scoring Instructions: Minimum park land dedication and private park requirements are in Chapter 17.28 (Land Dedications and Reservations) in Title 17 (Subdivisions) of the Morgan Hill Municipal Code. The Community Development Director shall estimate the minimum required park land for competing projects using the standards and formula in Section 17.28.060 (Acreage Required – Formula).

Minimum park land estimates are prepared only for the purpose of awarding points for the RDCS competition. Actual dedication requirements will be determined at the time of subdivision approval and may be different from these estimates.

To be eligible for points underwithin this criteria, projects must comply with the following requirements:

- Park land must be either a) within the project boundaries; or a) adjacent to the project boundaries and owned or controlled by the project applicant.
- Land for parks shall be consistent with the City of Morgan Hill Parks, Facilities & Recreation Program Master Plan, the General Plan, and any other adopted City policy or ordinance concerning park and recreational facilities.
- Either: a) Dedicated park land shall be deeded to the City for public park purposes, or b) Private park land for use by residents shall be maintained by the home ownersowners' association or other similar maintenance entity.

- The calculation of park land may not include yards, court areas, setbacks and other open areas required by the Zoning Code, Building Code, or other City ordinances. Points may not be awarded to passive open space or landscape buffer areas deeded to a homeowners' association.

Project Scoring Example: Section 17.28.060 (Acreage Required – Formula) of the Subdivision Ordinance states that 0.01 acres of land per dwelling unit shall be provided as a park in a single-family subdivision. Assuming a 100-unit single-family subdivision, the minimum required dedication of park land would be 1.0 acres. Providing 1.5 acres of park land would exceed the minimum requirement by 50 percent and would receive 5 points.

Criteria 5-C: Agriculture Conservation or Open Space Easement

Standard: The project establishes an agriculture conservation easement consistent with the City's agriculture conservation easement policy or an open space easement.

Points: 9-12 points

TABLE 30: POINTS FOR EASEMENTS

<u>TYPE OF EASEMENT</u>	<u>POINTS</u>
<u>AGRICULTURE CONSERVATION</u>	<u>9</u>
<u>OPEN SPACE</u>	<u>9</u>
<u>Type of Easement</u>	<u>Points</u>
<u>Agricultural Conservation – Proposed easement is at least as large as the proposed project and is at least ten acres in size when combined with other adjacent land that is used for agricultural purposes</u>	<u>12</u>
<u>Agricultural Conservation – Proposed easement is at least as large as 75% of the proposed project and is at least ten acres in size when combined with other adjacent land that is used for agricultural purposes</u>	<u>9</u>
<u>Agricultural Conservation – Proposed easement is at least as large as 50% of the proposed project and is at least five acres in size when combined with other adjacent land that is used for agricultural purposes</u>	<u>6</u>
<u>Agricultural Conservation – Proposed easement is at least as large as 25% of the proposed project and is at least five acres in size when combined with other adjacent land that is used for agricultural purposes</u>	<u>3</u>

Open Space– Proposed easement is at least as large as the proposed project	9
Open Space– Proposed easement is at least 75% as large as the proposed project	6
Open Space– Proposed easement is at least 50% as large as the proposed project	3

Total Available Points: 912

Scoring Instructions: Points may be awarded for projects that establish one of the following: an ~~agriculture-agricultural~~ conservation easement or an open space easement. Points are awarded only for one type of easement. A project may not receive points for establishing a second or third type of easement on the property unless the proposed easement is exclusively preserving land that is not otherwise preserved by an existing easement.

Agriculture-Agricultural Conservation Easement

Establishment of an ~~agriculture-agricultural~~ conservation easement shall occur in a manner consistent with Municipal Code Chapter 18.85 (Agricultural Lands Preservation Program). If a project is required to establish an ~~agriculture-agricultural~~ conservation easement to mitigate the loss of agricultural land pursuant to Chapter 18.85, points may be awarded only for establishing an agriculture conservation easement beyond the minimum 1:1 mitigation ratio required by Chapter 18.85.

To be eligible for points, an ~~agriculture-agricultural~~ conservation easement must be established within the Morgan Hill Sphere of Influence (SOI) and accepted by a land conservation entity or agency. The property subject to the easement must be of adequate size, configuration, and location to be viable for continued agricultural use and must meet the criteria for “eligible mitigation lands” as established in Municipal Code Section 18.85.090 (Eligible Mitigation Lands). Proposed conservation easement sites not adjacent to agricultural lands that are already permanently protected by an agricultural conservation easement shall be a minimum of ten acres. Proposed conservation easements adjacent to lands that are already permanently protected by an agricultural conservation easement shall be at least as large as the proposed project as long as the aggregate sum is at least 10 acres.

Open Space Easement

To be eligible for points, an open space easement must be established within the Morgan Hill Sphere of Influence (SOI). The property subject to the easement must be of adequate size, configuration, and location to protect and/or preserve open space and natural resources as identified in the General Plan. Natural resources include but are not limited to agricultural lands, undeveloped open space, scenic hillsides, habitat for sensitive species, and riparian areas and aquatic habitat as defined in the General Plan Natural Resources and Environment Element. Open space easements must be appropriately sized and located in order to enable the City to ~~There is no minimum size for the easement provided the City determines the easement appreciably preserves open space or protects natural resources. to be of adequate size, configuration, and location to preserve open space or protect natural resources. Land that is required to be set-aside for other reasons, such as project mitigation measure and required setbacks shall not be eligible to be counted as an open space easement or for points.~~

Project Scoring Example: A proposed project that converts five acres of agriculture land to non-agricultural use proposes the establishment of a five-acre agricultural conservation easement on ~~adjacent~~ agricultural land within the SOI to satisfy the agricultural mitigation requirement in Municipal Code Chapter 18.85. If the project establishes an additional ten-acre agricultural conservation easement on a property separate from the easement land used for mitigation, the project would receive ~~five~~ 12 points. These points would only be awarded if the additional easement was at least five acres, if it is contiguous to existing agricultural lands, or ten acres, if it not contiguous to permanently preserved agricultural lands. There is no minimum size for the additional easement eligible for points provided the property subject to the easement meets the criteria for "eligible mitigation lands" as established in Municipal Code Section 18.85.090 (Eligible Mitigation Lands).

Criteria 5-D: Agriculture Buffer

Standard: The project establishes and agriculture buffer easement.

Points: 4

Scoring Instructions. To be eligible for points, a project shall establish an open space easement to provide a buffer between active agricultural operations that are adjacent to the proposed project and new development. To receive points, the City must determine that the agriculture buffer easement is needed in order to preserve the viability of the active agricultural operations and that the size and configuration of the buffer is adequate to minimize future conflicts between the new residential use and the existing agricultural operation.

Criteria 5-E: Agriculture Preservation or Open Space Fund Contribution

Standard: The project contributes to the City's agriculture preservation or open space fund beyond the minimum requirement.

Points: See Table 31.

TABLE 31: POINTS FOR AGRICULTURE PRESERVATION OR OPEN SPACE FUND CONTRIBUTION

Contribution Amount	Points
Single: \$3,899,094 <u>\$4,117.43</u> per unit*	4
Double: \$7,798,198 <u>\$8,234.86</u> per unit*	9

* Adjusts annually.

Total Available Points: 9

Scoring Instructions: Contribution to the City's agriculture preservation fund shall occur in a manner consistent with Municipal Code Chapter 18.85 (Agricultural Lands Preservation Program). If a project is required to pay an agricultural preservation in-lieu fee to mitigate the loss of agricultural land pursuant to Chapter 18.85, points may be awarded only for the amount of the contribution to the City's agriculture preservation fund in that exceeds the required in-lieu fee.

Project Scoring Example: A 10-unit project that converts one acre of agricultural land pays an in-lieu mitigation fee of \$14,960 to satisfy the minimum requirement in Chapter 18.85. If the project contributes an additional \$38,990.90 beyond the required mitigation fee, the project would receive 4 points.

Criteria 5-F: On-Site Recreational Amenities

Standard: The project provides on-site recreational amenities to serve residents.

Points: See Table 32. Points identified in Table 24 are for each individual amenity included in the project.

Total points. Total points awarded to a project underwithin this criteria will be the sum of points for each individual amenity up to a maximum of eight points.

TABLE 32: POINTS FOR ON-SITE RECREATIONAL AMENITIES

Project Size	Points for Each Amenity Provided			
	Tier 1	Tier 2	Tier 3	Tier 4
1 to 15 units	6	8		
16 to 50 units	2	3	4	-
51-100 units	1	2	3	4
101-150 units	0	1	2	3
151+ units	0	0	1	2
201+ units	0	0	1	1

Recreational amenities eligible for points are divided into the four tiers as follows:

Tier 1 amenities:

- Shuffleboard
- Horseshoes
- Bowling green w/artificial turf
- Passive recreation area and/or gardens
- Passive water feature (e.g., fountain)
- Picnic/barbeque area

Tier 2 amenities:

- Cabana or shade trellis area
- Two picnic/barbeque areas
- Clubhouse
- Volleyball court and/or Bocce ball court

- Outdoor racquetball/handball tilt-up wall
- Dog Park (add one point more with dog wash station)
- Sauna and/or Jacuzzi
- Tree grove as approved by the community development director or designated staff.
- Community garden plots (minimum one forty-eight-square-foot plot per each ten dwelling units) with water service
- ½ court basketball (one hoop)
- Bridle paths
- Bocce ball
- Artificial turf putting green
- Tot lots (age appropriate play equipment/minimum three activities; can be integrated in structure)

Tier 3 amenities:

- Softball field
- Sports court and/or 2 1/2-court basketball courts (two hoops)
- Restroom area
- ½ scale soccer field
- Tot lots (age appropriate play equipment/minimum ~~three~~-five activities; can be integrated in structure)
- Jacuzzi and separate child wading pool (for projects between twenty and fifty units zoned R-2, R-3 or higher density development)
- Tennis court
- Recreation hall
- Exercise room
- Clubhouse w/ kitchen

Tier 4 amenities:

- Swimming pool (for projects of fifty-one or more units zoned R-2, R-3 or higher density development)

Small and Micro Projects: Projects with up to 15 units with no usable common open space or shared recreational amenities, including custom lot projects, shall automatically receive 8 points ~~under~~within Criteria 5-F without providing on-site recreational amenities.

Scoring Instructions: Points awarded are based on the number and type of recreational amenities for different project sizes as shown in Table 30. Projects with 50 or fewer units may receive points for a maximum of one Tier 1 amenity. Projects with 50 to 150 units may receive points only for Tier 2, 3 and 4

amenities. To be eligible for points, projects with more than 150 units must provide at least two Tier 3 or Tier 4 amenities. For a project of more than 150 units, two Tier 2 amenities may count as one Tier 3 amenity if the project provides at least one Tier 3 amenity. Projects with between 201 and 300 units must provide two Tier 3 amenities before two Tier 2 amenities may be counted as one Tier 3 amenity. Projects over 300 units must provide three Tier 3 amenities before two Tier 2 amenities may be counted as one Tier 3 amenity.

The Planning Commission may award points for unlisted amenities that provide recreational amenities to a level similar to those described above.

Total Available Points: 8

Project Scoring Example: A 25-unit project includes common open space with shuffleboard court, horseshoe area, and a volleyball court. The project would receive a total of four points with one point awarded for the shuffleboard court, one point for the horseshoe area, and two points for the volleyball court.

Criteria 5-G: Amenities for Age Groups

Standard: The project provides on-site social and recreational amenities for various age groups.

Points: 2

Total Available Points: 1 or 2 (two age groups = 1; all age groups =2)

Scoring Instructions: To be eligible for points, a project must provide on-site social and recreational amenities specifically-exclusively designed to meet the unique needs of all age groups, including children, teens, adults, and seniors. Each proposed amenity can only be counted for one age group. Examples of amenities appropriate for different age groups include the following:

- **Children:** tot lots, children's wading pool
- **Teens:** Outdoor spaces for socializing, recreational equipment that provides physical challenge (e.g., skate park), indoor recreational amenities (pool tables, table tennis) that are highly attractive to teens
- **Adults:** Indoor gym, outdoor picnic/barbecue area
- **Seniors:** Walking paths, low-impact outdoor exercise equipment designed for seniors ("senior playgrounds")

Criteria 5-H: Public Gathering Places

Standard: The project provides publicly accessible outdoor gathering places and open space in higher density and more urban settings.

Points: 1 point per \$1,000 value of amenity per unit.

Total Available Points: 3

Scoring Instructions: To be eligible for points, a project must provide one or more outdoor public gathering places such as plazas, courtyards, and parks that exceed minimum City requirements. Points awarded for the criteria are primarily intended for projects located Downtown and in other higher intensity areas with pedestrian activity originating outside of the proposed development. To receive points, the public gathering place shall be open for use by the general public and must comply with the following standards:

- **Location:** The public gathering places space must be located close to pedestrian activity, along streets, or where pathways intersect. Open spaces must support an integrated pedestrian network by providing on-site and off-site connections to the open space.
- **Activity:** For public gathering places incorporated into ~~to~~ mixed use development with ground commercial uses, the proposed public gathering place must be located along the edge of active ground-floor uses (e.g., retail or restaurants). ~~must be located uses along the edge of a courtyards and plazas.~~
- **Visibility and Access:** Plazas, courtyards, and other similar spaces must open to public sidewalks and building entrances to provide visibility and access opportunities along project frontages.
- **Seating:** Usable open spaces must include well-designed seating, such as seat walls, free-standing elements, fixed and moveable seating, and other seating options.
- **Year-Round Use:** Open space must be usable year-round with features such as awnings, wind breaks, and sun shades, umbrellas, or other similar features that provide shelter from the elements.

Criteria 5-I: Proximity to Public Parks

Standard: The project is within walking distance of a public park or recreational facility.

Points: See Table 33.

TABLE 33: POINTS AVAILABLE FOR PROXIMITY TO PUBLIC PARKS

Project Distance from Public Park	Points
Within three-quarters mile	1
Within one-half mile	2
Within one-quarter mile	3

Total Available Points: 3

Scoring Instructions: To be eligible for points, the project must be located within walking distance of an existing City of Morgan Hill or Santa Clara County park with recreational amenities available for public use without charge. The distance to the park is measured as the lineal distance a pedestrian would walk, from the average center point of housing in a project to the nearest entrance point of the park.

Criteria 5-J: Open Space Design and Outdoor Amenities

Standard: The project provides common open space and outdoor amenities that enhance project residents' quality of life and the overall project design quality.

Points: See Table 34.

TABLE 34: POINTS FOR OPEN SPACE

Open Space	Points
1. Outdoor Rooms. The project designs open spaces to function as “outdoor rooms” for common use of project residents. As outdoor rooms, open spaces feature amenities such as seating areas <u>and</u> , shade structures <u>and play equipment</u> to create inviting places that encourage resident activity and interaction.	<u>2</u> <u>1</u>
2. Size. The project provides common open space areas of sufficient size for the use and enjoyment of residents. The project does not fulfill its minimum common open space requirement primarily through small patches of unconnected open space areas which individually are of insufficient size to serve as a useful recreational amenity for residents.	1
3. Edges. The project uses buildings, fences, walls, and landscaping to define the edges of common open space.	2
4.3. Visibility. The project locates open space area so that they can be viewed from individual units, preferably from the kitchen, living room, or dining room.	2
5.4. Adjacent Units. The project maximizes the number of units that are immediately adjacent to common open space. Units not immediately adjacent to common open space can access open space areas through pedestrian connections separate from drive aisles and vehicle parking lots.	2
6. Landscape. The project incorporates exceptional landscape design in common open space areas to create a unique and welcoming environment for residents.	2

7-5. Existing Trees. The project retains existing native trees on the property which, if removed, would require a tree removal permit in accordance with Municipal Code Chapter 12.32 (Restrictions on Removal of Significant Trees).	1
8-6. Rear Yard Open Space. For detached single family and duplex/duet projects, <u>private</u> rear-yard usable open space is 25 percent <u>percent</u> , or more than the minimum rear setback area required by the applicable zoning. or	2
9-7. Backyard Improvements. Finished (e.g., landscape, hardscape, irrigation) <u>private</u> backyard improvements are installed by the developer.	2 <u>1</u>
10-8. Private Open Space - Attached Projects. For attached projects, usable private open space for ground floor units is 25 percent or more than required by the applicable zoning and finished private open space improvements are installed by the developer.	3 <u>2</u>

Total Available Points: 10

Small and Micro Projects: Projects with up to 15 units, including custom lot projects, with no common open space, shall automatically receive 6 points under within Criteria 5-J and can obtain additional points, up to the total maximum of ten, by installing the noted improvements in private open space areas.

6. ENVIRONMENTAL PROTECTION

Intent: Encourage protection of natural resource and promote the City's environmental sustainability goals.

Points Available: See Table 35.

TABLE 35: ENVIRONMENTAL PROTECTION POINTS AVAILABLE

Criteria	Points Available	
6-A: Energy Efficiency	6	
6-B: On-Site Solar Energy Generation	10	
6-C: Indoor Water Use	4	
6-D: Outdoor Water Use	12	
6-E: Sustainable Site and Building Design	22	
Total	54	22 Maximum

Criteria 6-A: Energy Efficiency

Standard: The project exceeds the minimum building energy efficiency required by the California Energy Code.

Points: See Table 36.

TABLE 36: POINTS FOR ENERGY EFFICIENCY

Energy Efficiency Beyond Minimum Requirement	Points
5%	2
10%	4
15%	6

Total Available Points: 6

Scoring Instructions: Energy use and efficiency is calculated as the aggregate of all buildings within a project. To receive points, a project must show a reduction in its energy budget compared to the standard design building, as calculated by Title 24, Part 6 Compliance Software certified by the California Energy Commission.

Criteria 6-B: On-Site Solar Energy Generation

Standard: The project incorporates on-site solar energy generation systems to provide energy for on-site use.

Points: See Table 37.

TABLE 37: POINTS FOR ON-SITE SOLAR ENERGY GENERATION

Project's annual electrical energy cost provided from an on-site solar energy generation system	Points
60%	4
70%	6
80%	8
90%	10

Total Available Points: 10

Scoring Instructions: Percentage of energy generated from on-site renewable sources must be demonstrated using a building energy performance simulation tool consistent with industry standards.

Criteria 6-C: Indoor Water Use

Standard: The project exceeds the minimum indoor water efficiency and conservation requirements of the California Green Building Standards Code (CalGreen).

Points: See Table 38.

TABLE 38: POINTS FOR INDOOR WATER EFFICIENCY AND CONSERVATION

Water Efficiency Beyond Minimum Requirement	Points
5%	2
10%	4

Total Available Points: 4

Scoring Instructions: Applicants shall demonstrate attainment of water efficiency standards utilizing methods consistent with CalGreen and industry standards.

Criteria 6-D: Outdoor Water Use

Standard: The project reduces outdoor water use through water efficiency landscaping and irrigation.

Points: See Table 39.

TABLE 39: POINTS FOR OUTDOOR WATER USE

Standard	Points
Less than 50% of landscaped area contains natural turf	2
The project contains no natural turf outside of common areas used for active play	4
The project exceeds outdoor water efficiency standards by 10 percent	2
The project exceeds outdoor water efficiency standards by 20 percent	4
The project exceeds outdoor water efficiency standards by 30 percent	6

The project installs subsurface irrigation for all natural turf areas	2
---	---

Total Available Points: 12

Scoring Instructions: The project's outdoor water efficiency shall be calculated in accordance with Morgan Hill Municipal Code Chapter 18.73 (Water Conservation in Landscaping). Standards (a) and (b) and standards (c) and (d) are mutually exclusive; points for all other standards may be combined.

Criteria 6-E: Sustainable Site and Building Design

Standard: The project incorporates sustainable building site design features beyond the minimum requirements of the California Green Building Standards Code (CalGreen).

Points: 1 point for every 2 Build It Green ~~Point~~ (BIG) Points over the minimum required by Chapter 15.65 of the City of Morgan Hill Municipal Code

Total Available Points: 22

Scoring Instructions: Applicants shall use the current Build It Green Checklist maintained by the City of Morgan Hill. A project may receive Build It Green Points only for measures beyond the minimum requirements of the California Green Building Standards Code adopted by the City of Morgan Hill. Consistent with Chapter 15.65 of the City of Morgan Hill Municipal Code, Community points in the Build It Green checklist are excluded from the sustainability standard and the project is required to meet minimum point requirements within the checklist categories (energy, water, resource, and indoor air quality).

If construction on a project has not commenced within 3 years of initial award of allotments, project must use Build It Green checklist in effect at the time of application for building permits.

7. TRANSPORTATION

Intent: Support a balanced and efficient transportation system for pedestrians, cyclists, public transit, and automobiles that maintains quality of life in residential neighborhoods.

Points Available: See Table 40.

TABLE 40: TRANSPORTATION POINTS AVAILABLE

Criteria	Points Available	
7-A: Bicycle and Pedestrian Improvements	6	
7-B: Transit Improvements	3	
7-C: Off-Site Roadway Improvements or Fund Contribution	6	
7-D: Transportation Demand Management	5	
7-E: Connections to Adjacent Property	3	
7-F: Internal Connections	4	
7-G: EV Charging Station	4	
Total	31	15 Maximum

Criteria 7-A: Bicycle and Pedestrian Improvements

Standard: The project constructs pedestrian and bicyclist improvements beyond the minimum requirement.

Points: 1 point for every \$1,000 in improvements constructed per unit.

Total Available Points: 6

Small and Micro Projects: Projects with up to 15 units, including custom lot projects, shall automatically receive 4 points underwithin Criteria 7-A without constructing pedestrian and bicyclist improvements.

Scoring Instructions: Improvements may be on-site or off-site consistent with the City's Bikeways Master Plan. Points may be awarded only for the construction of improvements that exceed improvements normally required as a condition of approval for a subdivision map or other project permit. For example, the City would not typically award points for the installation of a bikeway along the property frontage identified as a future bikeway in the City's Bikeways Master Plan as the installation of this bikeway would be a typical condition for the approval of a proposed subdivision.

To be eligible for points, bicycle improvements must be consistent with the City of Morgan Hill Bikeways Master Plan. Types of bicycle improvements may include construction of bicycle paths, lanes, and routes; repair of existing facilities, installation of bicycle racks and lockers, and installation of way-finding signs. Types of pedestrian improvements may include installation of new sidewalks, enhanced street crossings, ADA-compliant curb ramps, mid-block crossings, traffic calming measures, and curb extensions.

Points may be awarded for creative or innovative amenities that support bicycling and walking, including but not limited to secure indoor bicycle storage for each unit, shared bicycle repair facilities, and car sharing facilities.

Criteria 7-B: Transit Improvements

Standard: The project constructs bus stop or other bus transit improvements beyond the minimum requirement

Points: 1 point for every \$1,000 in value of improvement per unit.

Total Available Points: 3

Scoring Instructions: Points may be awarded only for the construction of improvements that exceed improvements normally required as a condition of approval for a subdivision map or other project permit. For example, the City would not typically award points for the installation of a bus turnout along the property frontage if the City's General Plan or other policy documents identify the location as requiring the turnout. The requirement to install the turnout or other similar improvement would be a typical condition for the approval of a proposed subdivision to comply with and achieve consistency with the General Plan.

Types of improvements eligible for points include bus shelters, benches, reinforced street sections or bus pullout areas, information signs and displays, enhanced pedestrian access, security enhancements, and landscaping. These improvements must be located on an approved or planned Valley Transportation Agency (VTA) transit route and accepted by the VTA for maintenance. A letter from the VTA must be submitted confirming VTA's acceptance and maintenance of the proposed bus stop. For planned bus routes, the VTA letter shall provide confirmation of the future bus route extension. This standard may apply to a bus stop constructed in the initial or previous phase that would serve subsequent phases of the same development.

There is no geographic requirement for improvements - points may be awarded for improvements located outside of the project boundary or away from the immediate vicinity of the project.

Criteria 7-C: Off-Site Street and Parking Improvements or Fund Contribution

Standard: The project constructs and/or funds off-site street roadway improvements.

Points: 1 point for every \$1,000 in value of improvement per unit.

Total Available Points: 6

Scoring Instructions: To be eligible for points, a project must provide for the dedication and/or improvement of extensions to existing streets and/or shared parking lots outside of the project boundaries. Shared parking must be subject to an agreement between property owners to ensure the continued availability of shared parking. Projects which offer to complete adjacent or nearby off-site street or parking improvements which were committed to be installed by another previously project ~~under a previously~~ approved application will not receive points for the same commitment. To be eligible

for points improvements must be voluntary and not otherwise required by the City or any other public agency.

After a project receives entitlements and before the completion of construction, the City may allow the applicant to contribute in-lieu funds equal to the value of the improvements for which points were awarded. The City may allow the contribution of in-lieu funds only if the ~~Public Works Director~~City Engineer determines that the in-lieu funds will allow for street and parking improvements with a greater community benefits than could be provided by the construction of improvements by the project developer.

Criteria 7-D: Transportation Demand Management

Standard: The project incorporates transportation demand management (TDM) measures

Points: See Table 41.

TABLE 41: POINTS FOR TRANSPORTATION DEMAND MANAGEMENT MEASURES

Building Design Feature and Construction Method	Points
The project contributes to the City's transportation fund to be used to provide city-wide TDM programs	1 per \$1,000 contributed per unit, up to 2
<u>For rental projects, a TDM program will be maintained for the life of the project incorporating identified TDM measures</u>	<u>1</u>
For rental projects, the project establishes a TDM program that incorporates three or more TDM measures	1 to 3 <u>2</u>

Total Available Points: 5

Scoring Instructions: To be eligible for points, TDM measure must be in excess of those required as environmental mitigation and may not be used to receive point ~~under~~within other competition criteria. Rental projects may receive one point for committing to maintain a TDM program for the life of the project and two points for that incorporating ~~three~~ three or more of the following TDM measures:

- Free transit passes for residents.
- Free car share membership for residents.
- On-site cargo bicycle available for residents' use.
- Operation of a dedicated shuttle service during the peak period to a rail station.
- Operation of a commute assistance center, offering on site, one stop shopping for transit and commute alternatives information.
- Installation of shared office facilities for the use of residents to facilitate telecommuting and home-based employment. high bandwidth connections in employees' homes to the Internet to facilitate home telecommuting.
- Other similar measures as approved by the Planning Commission.

Criteria 7-E: Connections to Adjacent Property

Standard: The project maximizes connections to adjacent property for vehicles, bicyclists, and pedestrians.

Points: See Table 42.

TABLE 42: POINTS FOR CONNECTIONS TO ADJACENT PROPERTY

Connection to Adjacent Property	Points
For projects abutting developed land, the project aligns and connects streets intersecting the project boundary with all adjoining streets.	1
For projects abutting undeveloped land, the project extends streets to the adjoining undeveloped land to provide access to undeveloped land in the event of its future development.	1
The project provides off-street bicycle and pedestrian connections to adjacent destinations , including private or public parks, open space, transit facilities, and commercial areas. Connections must be established and maintained through an easement, dedication or other similar method to guarantee it remains accessible to the general public. <u>This is intended to implement Policy No. P2-4 "Encourage public accessibility of new privately-owned and developed parks through the RDCS process" from the Bikeways, Trails, Parks and Recreation Master Plan, as well as GP Policy CNF-11.5 Outside Connections and Policy CNF-11.6 Open Space Connections.</u>	1

Total Available Points: 3

Small and Micro Projects: Projects with up to 15 units, including custom lot projects, shall automatically receive 4 points ~~under~~within Criteria 7-E.

Criteria 7-F: Internal Connections

Standard: The project maximizes internal connections within the project with minimal physical barriers that provide continuous, safe, and convenient travel for vehicles, bicyclists, and pedestrians.

Points: See Table 43.

TABLE 43: POINTS FOR INTERNAL CONNECTIONS

Internal Connection	Points
The project incorporates two or more design elements of "fully-compliant" complete streets" that meet the needs of multiple users, including motorists, bicyclists, pedestrians, transit users, and persons of different physical capabilities.	1
The project incorporates enhanced bicycle and pedestrian improvements such as bicycle storage facilities, traffic calming measures, intersection crossings, and wayfinding signage. <u>One improvement is required for one point.</u>	1

The project provides direct pedestrian connections <u>with minimal physical barriers</u> from units <u>all units</u> to common open space, recreational facilities, and other project amenities.	1
The project incorporates neighborhood traffic management techniques, such as traffic circles, narrow lanes, and bulbouts, to control vehicle speeds and increase the safety of bicycle and pedestrian travel.	1

Total Available Points: 4

Small and Micro Projects: Projects with up to 15 units, including custom lot projects, shall automatically receive 4 points ~~under~~ within Criteria 7-F.

Scoring Instructions: Complete Streets is a transportation policy and design approach, adopted as one of the transportation goals in the City's 2035 General Plan, that requires streets to be planned, designed, operated, and maintained to enable safe, convenient and comfortable travel and access for users of all ages and abilities regardless of their mode of transportation. Complete Streets allow for safe travel by those walking, cycling, driving automobiles, riding public transportation, or delivering goods.

The specific design elements of Complete Streets vary, based on context and project goals, but they may include the following, as approved by the City Engineer:

- a. Pedestrian infrastructure such as sidewalks; traditional and raised crosswalks; median crossing islands; Americans with Disabilities Act of 1990 compliant facilities including audible cues for people with low vision, pushbuttons reachable by people in wheelchairs, and curb cuts; and curb extensions.
- b. Traffic calming measures to lower speeds of automobiles and define the edges of automobile travel lanes, including a road diet, center medians, shorter curb corner radii, elimination of free-flow right-turn lanes, angled and face-out parking.
- c. Bicycle accommodations, such as protected or dedicated bicycle lanes, neighborhood greenways, wide paved shoulders, and bicycle parking.
- d. Public transit accommodations, such as bus pullouts, transit signal priority, bus shelters, and dedicated bus lanes.
- e. Green Streets, the natural systems approach (incorporates vegetation and/or permeable pavements) to enhance pedestrian safety, reduce stormwater flow and improve water quality. Green Streets are designed to capture rainwater at its source.

Criteria 7-G: Electric Vehicle Charging Stations

Standard: The project provides electric vehicle charging stations beyond minimum requirements.

Points: 1 point per charging station.

Maximum Points: 4

Scoring Instructions. Charging stations shall be ~~publicly~~ available for use by all project residents and visitors. Charging stations are not required to be available to the general public. The developer shall install

all connections and equipment necessary for the charging stations to be ready to use by residents and visitors upon project completion. Technical specifications for charging stations and related improvements shall be as required by the Building Official upon time of installation.

Attachment: Revised Competition Manual 07_25_18_Markup (1862 : RDCS Competition Manual)

8. MUNICIPAL INFRASTRUCTURE

Intent: Encourage the efficient use of public infrastructure and services.

Points Available: See Table 44.

TABLE 44: MUNICIPAL INFRASTRUCTURE POINTS AVAILABLE

Criteria	Points Available	
8-A: Water Infrastructure	3	
8-B: Wastewater Infrastructure	3	
8-C: Storm Water Infrastructure	3	
8-D: Infrastructure and Services Fund Contribution	3	
8-E: Broadband Connectivity	6	
Total	18	10 Maximum

Criteria 8-A: Water Infrastructure

Standard: The project constructs off-site water infrastructure improvements beyond minimum requirements.

Points: 1 point for every \$1,000 in improvements constructed per unit

Total Available Points: 3

Scoring Instructions: Off-site water infrastructure improvements must be consistent with the City's Infrastructure Master Plan, approved by the ~~Public Works Director~~City Engineer, and constructed consistent with the City's standard specification for water infrastructure improvements. After a project receives entitlements and before the completion of construction, the City may allow the applicant to contribute in-lieu funds equal to the value of the improvements for which points were awarded. The City may allow the contribution of in-lieu funds only if the ~~Public Works Director~~City Engineer determines that the in-lieu funds will allow for water infrastructure improvements with a greater community benefits than could be provided by the construction of improvements by the project developer.

Criteria 8-B: Wastewater Infrastructure

Standard: The project constructs off-site wastewater infrastructure improvements beyond minimum requirements.

Points: See Table 45.

TABLE 45: POINTS AVAILABLE FOR WASTEWATER INFRASTRUCTURE

Standard	Points
The project provides off-site extensions or replacement of wastewater collection pipes and lift stations beyond minimum requirements.	1 point for every \$1,000 in improvements constructed per unit

Total Available Points: 3

Scoring Instructions: Off-site waste water infrastructure improvements must be consistent with the City's Infrastructure Master Plan, approved by the ~~Public Works Director~~City Engineer, and constructed consistent with the City's standard specification for water infrastructure improvements. After a project receives entitlements and before the completion of construction, the City may allow the applicant to contribute in-lieu funds equal to the value of the improvements for which points were awarded. The City may allow the contribution of in-lieu funds only if the ~~Public Works Director~~City Engineer determines that the in-lieu funds will allow for waste water infrastructure improvements with a greater community benefits than could be provided by the construction of improvements by the project developer.

Criteria 8-C: Storm Water Infrastructure

Standard: The project utilizes low impact development (LID) techniques and/or constructs storm water improvements beyond minimum requirements.

Points: See Table 46.

TABLE 46: POINTS AVAILABLE FOR STORM WATER INFRASTRUCTURE

Standard	Points
The project reduces the volume of off-site storm water flows beyond minimum requirements using low impact development (LID) techniques.	2 points
The project provides off-site stormwater infrastructure improvements beyond minimum requirements.	1 point for \$1,000 in improvements constructed

Total Available Points: 3

Scoring Instructions: Low-Impact Development (LID) is a stormwater management approach that manages rainfall on the site through landscape features that infiltrate, filter, store, evaporate and detain stormwater at the source. LID techniques integrate green space, native landscaping, natural hydrologic functions, and other techniques to generate less runoff from developed land. City LID requirements can be found in the City's Stormwater Management Guidance Manual for Low Impact Development and Post-Construction Requirements (2015). The applicant is required to demonstrate that the LID techniques specifically proposed will result in water quality and flood control benefits to the project site and community. Projects shall show the location and preliminary dimensions/outline of the stormwater facility in their RDCCS plan submittal. A stormwater note will not be acceptable.

Off-site storm water infrastructure improvements must be consistent with the City's Infrastructure Master Plan, approved by the ~~Public Works Director~~City Engineer, and constructed consistent with the City's standard specification for water infrastructure improvements. After a project receives entitlements and before the completion of construction, the City may allow the applicant to contribute in-lieu funds equal to the value of the improvements for which points were awarded. The City may allow the contribution of in-lieu funds only if the ~~Public Works Director~~City Engineer determines that the in-lieu funds will allow for storm water infrastructure improvements with a greater community benefits than could be provided by the construction of improvements by the project developer.

Criteria 8-D: Infrastructure and Services Fund Contribution

Standard: The project contributes water, sewer, storm drain funds greater than the minimum required.

Points: 1 point for every \$1,000 contributed.

Total Available Points: 3

Criteria 8-E: Broadband Connectivity

Standard: The project provides advanced broadband connectivity.

Points: See Table 47.

TABLE 47: POINTS AVAILABLE FOR COMMUNICATION TECHNOLOGY

Standard	Points
The project installs broadband conduit in the public right-of way.	2
The project installs broadband conduit from the public right-of-way to each home or occupied building in the project.	1
The project pre-installs indoor conduit, wiring and other necessary infrastructure so that broadband service may be provided to each unit.	1
The project provides primary broadband service to each unit from a competitive telecommunications company (i.e., a company other than Frontier or Charter)	6

Total Available Points: 6

Scoring Instructions: Broadband means telecommunications service capable of supporting digital data transmission at minimum download speeds of 25 Mbps. To be eligible for points, projects must install conduit each with at least two pull cables and of sufficient size and quality to accommodate multiple future broadband providers in all the public right-of ways fronting the project site. At least one conduit shall remain empty and reserved for use by a potential future broadband service provider. Points for providing broadband service from a competitive telecommunications company may not be combined with points for installing conduit pathways within the right-of way, from the right-of-way to buildings, and within buildings.

The RDCS submittal shall provide a schematic location of the broadband conduit. A note demonstrating broadband compliance will not be acceptable.

9. PROJECT QUALITY

Intent: Encourage exceptional project design at the neighborhood, site, and building scale.

Points Available: See Table 48.

TABLE 48: PROJECT QUALITY POINTS AVAILABLE

Criteria	Points Available	
9-A: Exterior Building Design	13 15	
9-B: Building Placement and Massing	15	
9-C: Site Improvements	7	
9-D: Vehicle Parking and Access	13	
9-E: Public Art	3	
9-F: Smart Homes	4	
9-G: Project Excellence	3	
Total	58 60	35 Maximum*

*The maximum score for Criteria 9-A through 9-F is 32. The Planning Commission may award an additional 3 points for Criteria 9-G for a total maximum score of 35.

Criteria 9-A: Exterior Building Design

Standard: Exterior architectural elements support walkable and attractive neighborhoods.

Points: See Table 49.

TABLE 49: POINTS FOR EXTERIOR BUILDING DESIGN

Building Design Features	Points
1. Front Porches. A minimum of 50 percent of homes facing a street or common interior courtyard include a front porch. Porches must be part of the home's primary entrance, connected to the front yard or common interior courtyard, a minimum of 6 feet by 5 feet, and in full view of the street or common interior courtyard. Multi-family projects may earn points if 50 percent of ground floor units with exterior entrances include a porch.	1 (attached) 3 (detached)
2. Balconies Facing Street or Courtyard. A minimum of 25 percent of homes facing a street or common interior courtyard include a balcony overlooking a public	1

space. Balconies must provide usable private outdoor space for residents, be in full view of a street or common interior courtyard, and face away from neighbors' yards to maintain privacy. Multi-family projects may earn points if 25 percent of upper floor units facing a street or common interior courtyard include a balcony.	
3. Balconies Facing Alleys. A minimum of 25 percent of homes abutting a shared alley include a balcony overlooking the alley, parking area, or drive aisle. Multi-family projects may earn points if 25 percent of upper floor units facing an alley, parking area, or drive aisle include a balcony.	1
4. Façade Articulation and Finishes – Front building facades feature quality façade articulation and finishes to break up blank, flat walls and provide visual interest. Example façade articulation include but are not limited to windows, shutters, awnings, balconies, bay windows, and stone enhancements.	1 (attached) 3 (detached)
5. 360-degree Architecture. The project features full and consistent articulation and design detail on all building facades.	1 (attached) 3 (detached)
6. Corner Treatments. For projects where the side or rear of a home faces a street or common courtyard street, the project incorporates enhanced treatments of these side and rear facades to support a welcoming and visually interesting public realm.	1
7. Colors and Materials. The project incorporates a mix of exterior finish materials and colors that is compatible with the architecture of the homes and enhances visual interest.	1 (attached) 3 (detached)
8. Multi-family Ground Level Entrances. For multi-family residences, the project provides as many private, exterior ground-level entries to individual units as possible.	1
9. Individual Residences – Attached Projects. Large buildings are architecturally subdivided so that they appear as individual residences or small groups of units. Buildings incorporate features such as window bays, balconies, porches and entrance vestibules, varied color schemes, and individual roof volumes to define individual units.	4
10. Residential-Scale Design Elements – Attached Projects. Buildings incorporate design details, including but not limited to porches, projections, eaves, bay windows, and other similar architectural elements, that provide residential scale and help to break up the building mass.	1

Total Available Points: 13 (attached); 15 (detached)

Criteria 9-B: Building Placement and Massing

Standard: The placement of buildings on lots, orientation of units to the street, and configuration of building height and volume supports a high-quality design environment.

Points: See Table 50.

TABLE 50: POINTS FOR BUILDING PLACEMENT AND MASSING

Building Placement and Massing Features	Points
1. Entrance Orientation – Collector and Residential Streets. The primary entrance of homes face streets along the project perimeter for projects: - Fronting an existing residential or collector street; or - Located Downtown or in the Monterey Road corridor.	2
2. Entrance Orientation – Single-Family Detached Projects/Arterial Streets. The primary entrances of detached single-family homes outside of Downtown or the Monterey Road corridor do not face an arterial street. Project perimeters along arterial streets feature landscaping, fences, walls, and other improvements that create visual interest and support a pedestrian-friendly environment.	2
3. Variation in Building Height. The project incorporates variation in building heights to minimize monotony and enhance visual interest.	2
4. Variation in Building Placement. The project incorporates variation in building front setbacks and placement on lots to minimize monotony and enhance visual interest.	2
5. Roof Line Variation. Variation in roof lines through changes in roof height and form break of building massing and create visual interest.	2
6. Upper Floor Set Back – Detached Homes. A minimum of 50 percent of detached single-family homes feature second stories stepped back a minimum of 10 feet from the street-facing ground floor building wall.	2
7. Upper Floor Set Back – Attached Homes. Upper floors of attached housing types facing a street are stepped back a minimum of 10 feet from the street-lower floor building wall.	1
8. Height and Project Edge – Attached Projects. The project minimizes building heights along the project edge and locates larger buildings towards the interior of the site.	1

9. Separate Structures – Attached Projects. Large projects divide units into multiple separate structures. Maximum number of units per structure is as follows: - Attached single-family (townhomes): 5 units maximum per structure - Multi-family: 10 units maximum per structure	4
10. Adjacent Building Types– Attached Projects. The project matches building types along project edge with adjacent land that is developed to its ultimate potential use according to the General Plan or applicable zoning. For example, the project locates detached single-family homes along the project perimeter when facing existing detached single-family homes in an area zoned for detached single-family homes.	1

Total Available Points: 12 (detached); 15 (attached)

Criteria 9-C: Site Improvements

Standard: Landscaping and other site improvements contribute to a high-quality design environment.

Points: See Table 51.

TABLE 51: POINTS FOR SITE IMPROVEMENTS

Site Improvements	Points
1. Landscaping – Parkway Design. The project provides a landscape parkway along the street 50 percent wider than the minimum required for the street type. Street trees and pedestrian-scale lighting within or adjacent to the parkway exceed minimum requirements and help create a distinctive and memorable design environment. For private streets with no minimum parkway standard, projects may receive points for exceed the width of an equivalent public street standard.	2
2. Landscaping – Visual Relief. Landscaping is placed and designed to minimize the appearance of building bulk and mass and to emphasize building features that create visual interest and support a pedestrian-friendly environment.	1
3. Exterior Lighting. Exterior lighting fixtures are architecturally integrated with the primary building's design, style, material, and colors.	1
4. Entrance Pathways. The project provides a direct pathway connection from a public sidewalk to the primary entrance of each unit or building adjacent to the sidewalk. For buildings and units oriented towards interior common open space, points may be awarded if direct pathway connection is provided from the open space to each unit or building facing the open space.	1
5. Public/Private Transitions. The project includes transition zones between private and public spaces along the street frontage through the use of landscaping, fences, trellises, walls, or a change in floor elevation.	1

6. Mechanical Equipment. All mechanical equipment is screened from the public right-of-way and common areas enclosed with an architecturally compatible structure. Equipment closures are screened through landscaping.	1
--	---

Total Available Points: 7

Criteria 9-D: Vehicle Parking and Access

Standard: The project minimizes visual impacts from on-site vehicle access and parking facilities.

Points: See Table 52.

TABLE 52: POINTS FOR VEHICLE PARKING AND ACCESS

Vehicle Parking and Access Features	Points
1. Garage Door Orientation. Garage doors do not face the front street. All Garages are configured on the site such that garage doors face either the side or rear of the property, <u>or sufficient screening by buildings or landscaping is provided to avoid a direct line of sight to garage doors from public spaces.</u>	3

2. Garage Door Design – Minimizing Visual Dominance. For garage doors that face the front street, garage doors and entrances are designed to be visually subservient to other building elements through methods such as increasing garage door setbacks, incorporating greenery within the driveway, and other methods.	1	Total
3. Garage Door Design - Detailing. Garage doors feature enhanced windows or architectural detailing consistent with the main dwelling.	1	
4. Garage Configuration. No more than 50 percent of single-family homes feature an identical garage configuration. Garage configuration may include front loaded attached, front loaded detached, side loaded, and rear loaded garages.	1	
5. Parking – Attached Projects. The project locates parking lots serving attached residential units at the rear or side of the site to allow a majority of dwelling units to front on the street or an internal courtyard. Parking is not located between a building and any public sidewalk or street.	1	
6. Screening. Parking visible from a public street is screened with fences, walls, and/or landscaping to the greatest extent possible.	1	
7. Landscaping – Attached Projects. The project incorporates landscaping to soften the appearance of off-street parking areas and private drive aisles in attached single family and multi-family projects	1	
8. Setback Areas. For detached single-family projects, paved areas and hard surface for vehicle access and parking occupies not more than 50 percent of the front and street-side setback area.	1	
9. Pavement Design. Areas for vehicle parking and circulation feature enhanced paving finishes such as stone, brick, and colored and textured concrete that complement the architectural style of buildings.	2	
10. Clustered Units. Parking for clustered single-family units use a shared driveway that minimizes the amount of overall hardscape and maximizes the amount of landscaping to screen driveway.	1	

Criteria 9-E: Public Art

Standard: The project incorporates public art to create a livable and visually stimulating environment.

Points: 1 point for every \$1,000 in artwork cost per unit.

Total Available Points: 3

Scoring Instructions: Public art means privately funded, constructed, and maintained artwork located on private property, but which also provides a public benefit, or on public property pursuant to City approval. The public art must be located in areas on the site clearly visible from the public street or sidewalk or in publicly accessible outdoor areas. Public art must be displayed in a manner that will enhance its enjoyment by the general public.

Artwork costs include all costs associated with the selection, acquisition, purchase, commissioning, design, fabrication, placement, installation, or exhibition of the public art. Public art may include sculpture, murals, photography and original works of graphic art, earthworks, fiber works, waterworks, neon, glass, mosaics, or any combination of forms of media, furnishing or fixtures permanently affixed to the building or its grounds, and may include architectural features of the building or elements of landscape design. The creator of public art shall be a practitioner in the visual arts who is not a member of the project engineering, architecture or landscape architecture firm.

Criteria 9-F: Smart Homes

Standard: The project accommodates or provides home automation devices that are connected to and controlled through a digital network.

Points: See Table 53.

TABLE 53: POINTS AVAILABLE FOR SMART HOMES

Standard	Points
The project installs home automation devices within units.	1 per \$1,000 in device value per unit
The project installs home automation devices within units that reduce energy consumptions, such as devices that automatically adjust lighting, heating, and air conditioning.	1 per \$1,000 in device value per unit

Total Available Points: 4

Scoring Instructions: A home automation device means a household device, appliance, or fixture that is connected to a digital network and controlled remotely by the resident. Example home automation devices include, but are not limited to major homes appliances (refrigerators, freezers, ovens washers/dryers), heaters and air conditions, thermostats, lighting systems, locks and home security, doorbells, and home theatre and entertainment systems.

Criteria 9-G: Project Excellence

Standard: The project incorporates exceptional features as determined by the Planning Commission.

Points: See Table 54

TABLE 54: POINTS AVAILABLE FOR PROJECT EXCELLENCE

Planning Commission Vote	Points
Majority	1
Super-Majority	2

Unanimous	3
-----------	---

Total Available Points: 3

Scoring Instructions: Points may be awarded to projects that demonstrate exceptional consistency with policies [underwithin](#) Goal CNF-11 in the General Plan City and Neighborhood Form Element as determined by the Planning Commission. Points for Planning Commission votes (majority, super-majority, unanimous) are based on Planning Commissioners present. Super-majority means one vote more than a majority vote. When making its decision the Planning Commission will consider information provided by staff.

IV. RDCS IMPLEMENTATION POLICIES

A. Schedule for ~~2017-2018~~ Competition

All of the following dates, excluding the RDCS application submittal deadline, are tentative and subject to adjustment.

~~March 14~~July 10 Planning Commission Evaluation and Recommendation of Available Allotments (18.78.110B)

~~April 19~~July 25 City Council Determination on Possible Reduction to Available Allotments (18.78.110B)

~~September 4~~September 17 Pre-Competition Orientation (18.78.120A)

~~November 3~~September 17 Pre-Application Review (18.78.130)

~~December 5~~October 17 Pre-Application Review Letter (18.78.130F)

January 25~~December 19~~ Applicant Response to Pre-Application Review Letter (18.78.130G)

January 4~~25~~ RDCS Application Submittal Deadline (18.78.120C)

~~February 1~~January 18-8 General Plan and Zoning Consistency Determination (18.78.120D)

February ~~5~~19 Deadline to file General Plan and Zoning Consistency Appeal to City Council

~~February 20~~March 5 Staff Scoring of Applications/Recommendation to Planning Commission (18.78.120E)

~~February 28~~March 20 Appeals of General Plan and Zoning Consistency Heard by City Council

March ~~6~~26 Planning Commission Hearing - Project Scores (18.78.120F)

April 9 Planning Commission Hearing – Finalize Project Scores

~~March 21~~April 19 Deadline to File Scoring Appeal to City Council

~~April 25~~May 15 Scoring Appeal Heard by City Council

~~June 4~~April 30 Staff Recommendation - Award of Allotments (18.78.120G)

~~June 11~~May 22 Planning Commission Hearing - Award of Allotments (18.78.120H)

June ~~6~~20 Deadline to File Allotment Appeal to City Council

~~June 27~~July 17 Allotment Appeal Heard by City Council

* All decisions of the Planning Commission may be appealed to the City Council (18.78.120J)

B. Exemptions

The following types of residential projects may be developed without first receiving any allotments:

1. One single-family home on a lot existing as of March 1, 2017;
2. Secondary dwelling units;
3. The conversion of an existing single-family home into a duplex provided that a new detached primary structure is not constructed on the lot or lots;
4. Assisted living/nursing homes (reference Zoning Ordinance for definition); and
5. The annexation of existing dwelling units outside of City limits into the City.

Projects may receive credit for legal residences that exist on the project site at the time of an RDCS application.

C. Application Submittal Requirements

See RDCS Process and Filing Requirements section on RDCS Process web page:

<http://www.morgan-hill.ca.gov/109/RDCS-Process>

The following additional submittal requirements shall also apply:

- When evaluating and scoring applications, the City may not consider any additional information submitted by the applicant after the application filing date. However, staff may request and consider additional information (calculations, tables, graphics, etc.) to clarify the applicant's submittal.
- For projects requesting points for an activity on property not owned by the applicant or developer, the applicant must submit a written approval from the property owner consenting to the activity.
- For projects requesting points to provide access to public parks and open space areas outside the project boundary, the applicant must submit written approval from the agency in control of the facilities to allow access between the project and the facilities.
- In cases of conflict between a written project narrative and plans, the narrative shall take precedent over plans.

D. General Plan and Zoning Consistency

After deeming an RDCS application complete, the Community Development Director or the Director's designee shall evaluate each application for consistency with the City's General Plan and Zoning Code and reject any applications which are found to be inconsistent with either the City's General Plan or Zoning Code. The Community Development Director's determination is appealable to the City Council. The City Council may direct the applicant to make modifications to the application and if these modifications bring the application into compliance with the General Plan and Zoning Code the application may continue to compete for allotments.

A proposal is consistent with the General Plan when:

1. The subject site's General Plan Land Use designation allows the proposed use at the proposed density; and
2. The proposal meets the overall intent of the Goals and Policies of applicable elements of the General Plan.

A proposal is consistent with the Zoning Code when the base Zoning District or PD Zoning for the site allows the proposed use; and the proposal meets the zoning regulations (e.g., setbacks) of the subject site's base Zoning District or PD Zoning, or the proposal only includes minor deviations from zoning regulations that, at the entitlement stage, could either be modified to be fully consistent with zoning regulations or the applicant would secure approval of a PD Zoning to establish modified development standards.

Minor deviation means an adjustment to the development standard in the project's base zoning district not to exceed the percentages in Table 55. For example, if a project is in a zoning district with a minimum front setback of 25 feet and proposes front setbacks of no less than 20 feet through PD Zoning, the project would be consistent with the Zoning Code. If a project in a zoning district with a maximum height of 30 feet proposed a height of 35 feet (more than a 10 percent deviation from the zoning district standard), the project would not be considered consistent with the Zoning Code. In this example, no structure within the project may have a height of more than 35 feet for the project in its entirety to be considered consistent with the Zoning Code.

TABLE 55: MAXIMUM DEVIATIONS FOR ZONING CONSISTENCY

Standard	Maximum Deviation
Setbacks, Front and Rear	20 percent decrease
Setbacks, Side	30 percent decrease
Lot Coverage and FAR	10 percent increase
On-site Parking (number of spaces)	10 percent decrease
Building Height	10 percent increase
Lot Size	15 percent decrease

Any proposed minor deviation(s) must be clearly identified with justification for the deviation(s) provided in writing as part of the required Pre-Application Review process, per Section 18.78.130 of the RDCS Ordinance. Proposed deviations shall not unreasonably affect abutting sites.

The Community Development Director may allow greater deviations from the percentages shown in Table 55 if the applicant can demonstrate that the greater deviation would produce a public benefit that cannot be provided without the greater deviation.

E. Competition Categories and Ongoing Projects

Each year the City Council may establish competition categories for certain types of projects. Projects within a competition category will compete for allotments only with other projects in the same competition category. For each competition category, the City Council shall identify the number of allotments available for projects competing within the competition category. Examples of competition categories may include, but are not limited to, projects within the Monterey Road Corridor, small projects (less than 15 units), senior housing, vertical mixed use, custom lots, and multi-family rental.

2018~~7~~ Competition for Fiscal Year ~~2019~~2020/20~~1~~

<u>Competition Category</u>	<u>Number of Allotments</u>
Affordable Housing	39-97 (20% of total allotments)
Micro Projects	XX
Small Projects	XX
Multi-family Rental	XX
Open/Market	XX
Senior Housing	XX
Monterey Corridor	XX
Custom Lots	XX
On-going Projects	4059
<u>Unassigned</u>	<u>78</u>
Prior Multi-year Commitment	0
Total	195215

Affordable Housing: The City Council shall ensure that an adequate number of allotments are available for affordable housing projects consistent with the City's Regional Housing Needs Allocation (RHNA) and adopted Housing Element.

Micro Projects: A Micro Project consists of a maximum of six (6) dwelling units on a site with an ultimate development potential of no more than six (6) units.

Small Projects: A Small Project consists of between seven (7) and 15 dwelling units on a site with an ultimate development potential of no more than 15 units.

Multi-family Rental: A Multi-family Rental project is a development of any size providing market rate rental housing.

Open/Market: The Open/Market category applies to housing of any type typically consisting of more than 15 units at build-out.

Senior Housing: Senior Housing projects are any market-rate housing type for persons 55 and older. For RDCS purposes Senior Housing must meet the following minimum requirements: 1) Must be 25 units or

more; 2) Lot sizes shall not exceed an average 9,000 square feet (unless a single lot multi-family development); 3) Must have an HOA to maintain all common amenities and front yard landscaping; 4) Seventy-five percent or more of the units must be single story in projects proposed in single-family zoning districts (or single level flats in multi-family zoning districts) with the exception of R-1 4,500 Zoning District where fifty percent or more shall be single story; 5) All 2-story units shall be designed and prewired for elevators or stair lifts; 6) All units within the project must meet visitability and adaptability standards. The Planning Commission has the discretion to waive or allow variation from the above definition for multifamily senior projects that are found to be in substantial conformance with the above definition.

Custom Lot: A Custom Lot is defined as a project which includes the opportunity for individuals to purchase lots. Custom lots shall be defined as follows: 1) Minimum lot size shall be based on the underlying zoning (no RE or large lot minimums); 2) The original developer can retain ownership of up to 50% of the lots with the balance made available for purchase by individual builders who wish to construct homes; 3) Of the "for sale lots", no more than 2 lots may be purchased by any one person; 4) Exterior elevations should vary throughout the project and floor plans may not be repeated, but can be reversed if elevation is varied.

On-going Projects: In addition to the competition categories, allotments may also be given to on-going projects. These are projects that were awarded building allotments in previous competitions, but were not fully allocated. Each on-going project can receive allotments without submitting a new application. See Section N below for additional details.

Prior Multi-Year Commitment: The number of allotments in a given competition year that were previously awarded to multi-year/phased projects.

F. Scoring

Scoring Errors: After the Planning Commission approval of final points no point adjustments are allowed.

Changes to Approved Projects/Substitution of Points/Criteria: Changes will be considered on a case-by-case basis with any changes resulting in the project receiving the same or higher score within each Objective and the change would maintain or improve the quality of the project and would result in the same or greater value to the City or its project's future residents. If project is refined, allow points to be made up in a different Objective only if it is not possible to make-up in Objective where loss of points occurred.

Substitution of Commitments within the same objective may be allowed in limited circumstances, with approval of the Community Development Director documented through an Administrative Amendment. No changes which would degrade the quality of the project, lower the value of commitments or lower the total point score in the RDCS evaluation, or would subject the Project to further environmental review pursuant to CEQA, shall be approved. In circumstances in which substitution within the same Objective is not possible, substitution may be allowed only by resolution of the Planning Commission.

Point Opportunities for Project Feature Under-Within Multiple Criteria. In most cases, a project feature or contribution may not earn a project points in more than one criteria. For example, a project that earns points for installing safe-routes-to-school pedestrian improvements underwithin Criteria 1-C (Student Transportation Improvements) may not also receive points for the same improvement underwithin

Criteria 7-A (Bicycle and Pedestrian Improvements). However, there are cases where a project design feature may allow a project to receive points from multiple criteria. For example, a project that incorporates accessory dwelling units may earn points in criteria 4-A (Accessory Dwelling Units) and 4-B (Diversity of Housing Types). Points may be awarded in multiple criteria for a single project feature only where expressly identified in Section III of this manual.

G. Multi-year Allotments

Section 18.78.140 Project Phasing allows the Planning Commission to distribute allotments awarded to a single project over multiple years to support a fair and efficient RDCS process by allowing high quality projects constructed over multiple years to compete one time for allotments.

The Planning Commission has discretion to determine which projects are eligible for multi-year allotments and may award multi-year allotments over a period of up to: 1) Three years for projects with less than 100 units; and 2) Five years for projects with 100 or more units. How well a project scores will be one factor Planning Commission will consider when awarding multi-year allotments.

The Planning Commission may award multi-year allotments to projects only upon finding that:

1. The multi-year allotments will support a steady rate of growth and help to avoid a sudden spike in construction of new housing;
2. The multi-year allotments will help the City to plan for adequate public services and infrastructure to accommodate new development;
3. The City will benefit from requiring the applicant to compete only once to receive allotments for all project phases; and
4. An adequate number of allotments will remain in future years to accommodate a range of housing types to meet Morgan Hill's housing needs.

The Planning Commission will strive to ensure that a sufficient number of allotments are available each year for non-multi-year allotted projects, in addition to affordable allotments, to allow for a yearly competition.

Multi-year projects are not eligible to compete for additional allotments within the years awarded.

H. ~~RDCS Development~~ Agreement

An Applicant must enter into a Development Agreement as stated within Chapter 18.78 (RDCS) of the Municipal Code ~~shall mean RDCS Agreement~~. A project's RDCS commitments and deadline to commence construction underwithin the fiscal year building allotment shall be incorporated into the Development ~~an RDCS~~ Agreement approved by City Council ordinance. Future minor amendments, such as time

extensions and allotment adjustments, shall be approved by Planning Commission resolution. Planning Commission decisions are appealable to the City Council.

I. Tentative Subdivision Map

The City will allow for the processing of tentative subdivision maps which exceed the number of allotments currently assigned to a development if the following criteria are met:

- The overall project must be consistent with the Zoning Code.
- The Tentative Map shall be non-vesting.
- The recordation of a Final Map will not be permitted until allotments are secured underwithin | the RDCS and a Development Agreement has been recorded.

The Tentative Map approval would expire after two years (or sooner as specified by the Planning Commission) and the Tentative Map approval period will not be automatically extended through the filing of a Final Map, but may be extended through separate application and approval by the Planning Commission.

J. Exercise of Allotments

Allotments must be exercised within 30 months of approval or by an alternative date specified in the RDCS Agreement. An allotment is considered exercised with the recordation of a Final Map, issuance of a grading permit, or the commencement of construction if no Final Map or grading permit is required.

A project shall be deemed to have physically commenced construction upon issuance of a building permit for the lot (or each building for multi-family/mixed-use projects) and completion of the following improvements: Installation of on-site and off-site improvements including grading and certification of the building pad by the Building Division and completion of one or more of the following: a) Excavation of the footings and foundations for the dwelling units; b) Installation of water or sewer laterals to the relevant units.

Issuance of a grading permit means the issuance of a Grading and On-Site Development Permit by the City's Building Division. The Grading and On-Site Development Permit may not be issued until the project secures all required Planning entitlements.

Allotments granted to a project underwithin the previous RDCS (e.g., Measure C) may, with the approval of an amendment to the project's development agreement, change when the allotments are considered exercised pursuant to Section 18.78.160.A of the RDCS Ordinance (Measure S).

K. Early Start of Construction

An early start of construction date is possible as long as the units are not completed and occupied until after the start of the fiscal year in which the allotments must be used. The construction schedule incorporated into the project development schedule shall ensure that dwelling units are not completed before the start of the fiscal year in which the allotments must be used.

L. Extensions

For Projects that received allotments underwithin the previous RDCS, but have not secured a Development Agreement, the Community Development Director may issue a (single) six (6) month extension based on current Measure S criteria.

Extension requests shall be submitted in writing to the Community Development Department a minimum of 60 days prior to the allotment expiration date and shall describe how the project meets the extension eligibility criteria listed below and in Section 4718.78.170F of the Zoning Code.

In addition to receiving an Administrative Extension and/or prior extensions underwithin the previous RDCS, a project, for each allocation year, may receive no more than one (1) extension for a maximum one additional year period for reasons due to delay by the City or public agency. On-going projects and projects that re-compete for allotments in future allocation years may receive subsequent extensions each allocation year subject to these same limitations.

Phased projects, including multi-year projects, may only receive one, one-year extension. For phased projects, the commencement date of successive phases may, at the discretion of the Planning Commission, be extended at the time of granting the one extension.

Eligibility Criteria

1. The Planning Commission may approve an extension only when the City or other public agency is responsible for a delay (evaluated on a case-by-case basis) in the issuance of permits or granting approvals required to exercise the allotments, or due to an earthquake, flood, fire, or other severe act of nature outside of the applicant's control. It is the applicant's responsibility to provide evidence that the request is consistent with this requirement. (Note: This may include governmental requirements related to soil contamination or archaeological finds)
2. The Planning Commission may not approve an extension for any reason other than in the above paragraph, including but not limited to difficulties obtaining financing, changes to the project not required by the City or other public agencies, applicant delays responding to requests from the City or other public agency, personal circumstances of the applicant, or changes in property ownership. (Note: Public financed affordable housing projects are exempt from this requirement.)

M. Transfer of Allotments

In order to expedite the completion of projects awarded allotments underwithin the RDCS, the transfer of fiscal year allotments between and within projects that meet the following criteria, may occur:

1. The receiving project has sufficient lead time to exercise the transferred allotment prior to the deadline.
2. The transfer must work as a trade between two developments or within a project.
3. The transfer may apply to partially allotted and fully allotted projects.
4. Both on-going and recently allotted first time projects may transfer allotments.

A transfer only changes the year the units may be built. A transfer does not alter in any way project commitments.

N. On-Going Allotments

Each on-going project can receive up to 15 allotments (up to 25 for projects that are transitioning from Measure C to Measure S) each year without submitting a new application. Projects are required to submit a letter by the RDCS Application filing date requesting on-going allotments. Projects that have previously competed and are partially allotted shall be considered on-going and may receive allotments from the on-going category. To be eligible to receive an allotment, the following criteria must be met:

1. A project has completed all planning entitlements (Tentative Map, Development Agreement, and Site Review).
2. A project is in compliance with their development schedule.
3. A project will pay additional fees for Development Agreement compliance related to the additional award and any fees for processing and administration of on-going allotments should they be established and required.
4. ~~Finally, for the unique 2017 RDCS competition, the three Measure C transitional projects, Laurel TRI Pointe, San Pedro Presidio Evergreen, and Toll Brothers (formerly Borelle) will be entitled to receive a combined maximum of 59 allotments.~~

Projects that were awarded, but do not use on-going allotments will lose their eligibility to be considered on-going and must re-compete.

O. CEQA

An Environmental Impact Report (EIR) for the Morgan Hill 2035 Project, which included the RDCS Update, was prepared in accordance with the California Environmental Quality Act (CEQA) and certified by the Morgan Hill City Council on July 27, 2016. (SCH #2015022074). The City of Morgan Hill must conduct environmental analysis before a project is approved. Award of allotments is not considered approval of a project, but rather authorizes an applicant to apply for entitlements. Environmental analysis shall be completed and considered by the appropriate decision-making body prior to granting of any entitlements, including but not limited to a tentative subdivision map, design review, a Development Agreement, or a building or grading permit.

APPENDIX: RDCS ORDINANCE (~~MORGAN HILL MUNICIPAL CODE CHAPTER 18.78~~MORGAN HILL MUNICIPAL CODE CHAPTER 18.156)

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING THE AVAILABLE BUILDING ALLOTMENTS FOR FISCAL YEAR 2020/21 FOR THE 2018 RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDCS) COMPETITION

WHEREAS, the City Council has reviewed recommendations contained in the July 25, 2018 staff report, recommendations of the Planning Commission, and has considered testimony received at the July 25, 2018 public hearing conducted for this item; and

WHEREAS, Section 18.78.090 of the RDCS Ordinance provides guidance regarding the establishment of RDCS Competition Categories and identification of the number of available allotments within each Category, including ensuring that an adequate number of allotments are available for affordable housing projects; and

WHEREAS, building allotments pursuant to the City's Residential Development Control System shall be available in the 2020/21 fiscal year; and

WHEREAS, 215 building allotments within the City's Residential Development Control System shall be available in the 2020/21 fiscal year, as findings required by 18.78.110.B that necessitate a reduction in the available allotments for the 2018 RDCS competition could not be made; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MORGAN HILL THAT:

SECTION 1: Pursuant to Sections 18.78.080 and 18.78.110 of the Morgan Hill Municipal Code, the City Council hereby authorizes a Residential Development Control System (RDCS) competition to be conducted in 2018 with 215 residential building allotments.

A. The RDCS competition authorized by this Resolution shall be for Fiscal Year 2020/21.

SECTION 2. Pursuant to Section 18.78.090 of the Municipal Code, the City Council hereby authorizes:

A. A portion of the residential allotments shall be reserved for affordable, unassigned, and on-going competition categories as outlined in "Exhibit A" attached hereto and incorporate herein by reference.

B. The Planning Commission shall award allotments based on scoring of projects using the criteria established in the RDCS Competition Manual and as deemed necessary to respond to changes in the housing market such as changes in the build-out rate for existing projects, lack of applications in competition categories, and increased demand for particular housing types, etc.

C. The RDCS Competition Manual, Section IV.E Competition Categories and

City of Morgan Hill
Resolution No.
Page 2 of 3

Ongoing Projects, shall be modified to reflect the competition categories and distribution of building allotments as set forth in "Exhibit A".

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 25th day of July 2018 by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

STEVE TATE, Mayor

DATE: _____

ATTEST:

IRMA TORREZ, City Clerk

DATE: _____

∞ CERTIFICATION ∞

I, Irma Torrez, 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 at the meeting held on July 25, 2018.

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

DATE: _____

IRMA TORREZ, City Clerk

Attachment: CC- Resolution - Set aside allotments (1862 : RDCS Competition Manual)

EXHIBIT A

FISCAL YEAR 2020/21

<u>Competition Category</u>	<u>Number of Allotments</u>
Affordable Housing	97
On-going Projects (Measure C)	25
On-going Projects (Measure S)	15
Unassigned	<u>78</u>
Total	215



Class of 2018

Art and Inspiration—Leadership Morgan Hill Class of 2018

The Ten Selected Boxes

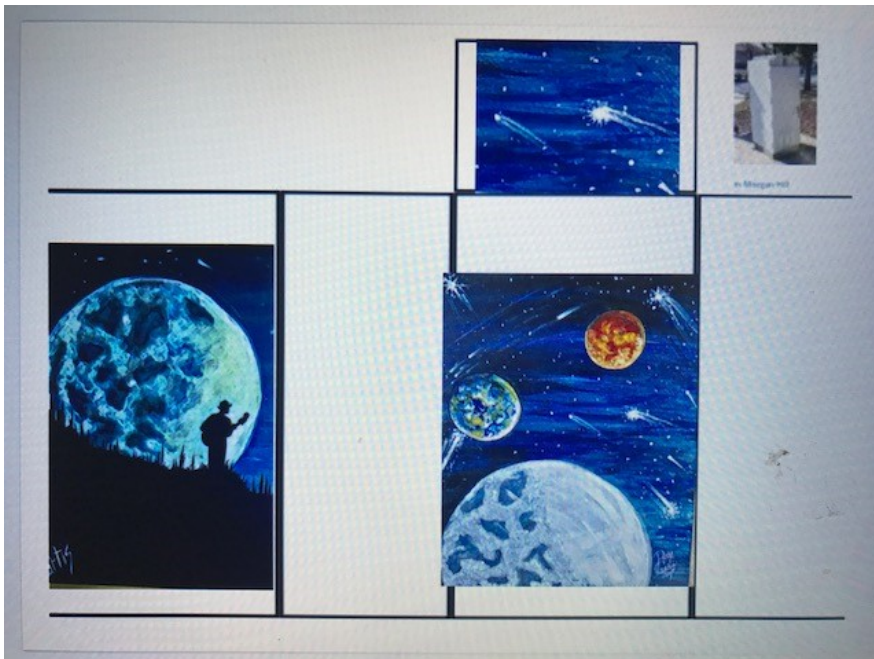


July 17, 2018



1. Inspire Others

- Monterey and 4th (near the Methodist Church)
- Artist Patty Curtis: (Early 2000, ran my own ArtSchool "Clubhouse" in MH. Art teacher PA Walsh the last 4 years, Art teacher at Morgan Hill ArtSchool. Winner of 'Wine Stroll Poster contest' last year', 3rd place winner Garlic Festival poster Con-test. Wine & Paint Party Teacher (2014-present). Singer in Fast Lane Band for 20 years. Designed posters for Downtown Association 2004-2013.
- Artist's description: Music, the universal language: The world is brought together by the arts. Inspire others to discover their inner artist... If you want something bad enough it can be yours. The sky is the limit.



2. Courage does not always roar

- Monterey St. / Main Street
- Artist Lina Velasquez
- {LMH interpretation—courage, represented by the king of the jungle can be gentle (can ask her to wrap the picture of the lion all around the box). The giraffe denotes gentleness even though a big and tall animal. Picture to be proportionate to the box dimensions. }

Proposed Design Template

Actual utility boxes vary in size, shape and have various vents, seams, doors, and handles. Be prepared to adjust art work to fit a unique utility box.

TOP

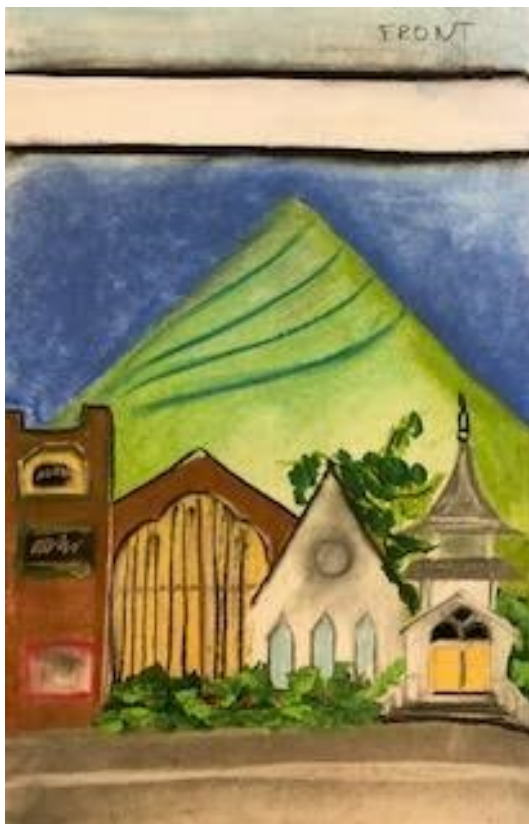


Example of Main Box in Morgan Hill



3. Welcome Home!

- Butterfield and Main (near Intero)
- Artist Lina Velasquez
- Info on art on next page—Pictures will be proportionate to the box dimensions and more realistic. The bike sculpture will be moved to side showing downtown.



Artwork Description

Title of Submission OUR CITY

Box Preference (If interested, refer to location map)

☐	INSPIRE OTHERS (Monterey & 4 th)	☐	COURAGE DOES NOT ALWAYS ROAR (Monterey & Main)
☒	WELCOME HOME! (Main & Butterfield)	☐	BE YOUR OWN HERO (Railroad Park)
☐	NEVER GIVE UP. NOTHING IS IMPOSSIBLE. (Dunne & Peppertree)	☐	KINDNESS FIRST. WORDS MATTER. (Dunne near Nordstrom)
☐	LET NATURE SING (Dunne & Hill)	☐	VALUE TRUTH (Tennant & Vineyard)
☐	LOVE EVERYONE (Main & Calle Mazatan)	☐	WHAT YOU THINK YOU BECOME (Hale & Llagas)

LMH reserves the right to assign an alternate location based on availability

Design Description

Welcome Home: Picture of Morgan Hill
it is our home.

the sketch was made in pastels.
the painting on the utility box will
have more details and high definition
also color will be more brilliant and
closer to the reality.

FRONT SIDE: the methodis church and
part of the play house, in the background
is the toro similar to the logo of the
city of Morgan Hill.

SIDE FACING DEPOT: continue with the
play house, follow by the Grange and
the new parking lot and tarantula like
background.

BACK SIDE: Morgan Hill is growing with
modern contructions having a great
contrast between the past-present and future
it has the Granada, new foot court and
the puppy jasper at the parkink lot 2^o st.

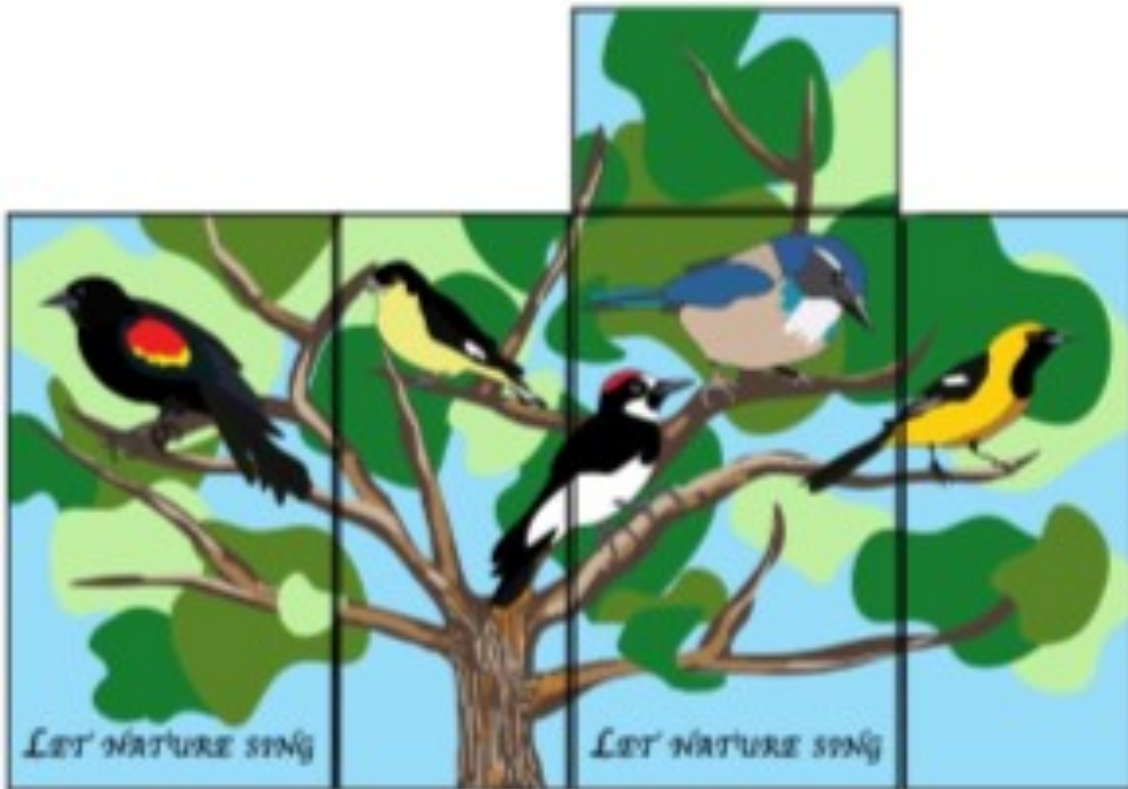
SIDE FACE BUTTER FIELD: GOLDEN mountains
in the back ground, the Hiram Morgan Hill house
front of the house is the bike sculpture.

the TOP: will be sky.

the sky is open to paint butterflies, airplane
etc.

4. Let nature sing

- Hill and Dunne (Fire station)
- Artist Jann Griffiths (Birds and tree to be a lot more detailed. Box designed to be proportionate to dimensions.)
- Website: <http://www.jrgriffiths.com/>



Proposed Design Template for Second Box (If Necessary)

Actual utility boxes vary in size, shape and have various vents, seams, doors, and handles. Be prepared to adjust art work to fit a unique utility box.

(Required for all sites EXCEPT: Monterey & Main, and Dunn at Nordstrom)

TOP



Example of secondary box at Morgan Hill

Design is the same as first box with possible substitution of several birds

BACK

SIDE

FRONT

SIDE

Artwork Description

LET NATURE SING

Title of Submission

Box Preference (If interested, refer to location map)

☐	INSPIRE OTHERS (Montrose & 4 th)	☐	COURAGE DOES NOT ALWAYS ROAR (Montrose & Main)
☐	WELCOME HOME! (Main & Butterfield)	☐	BE YOUR OWN HERO (Railroad Park)
☐	NEVER GIVE UP. NOTHING IS IMPOSSIBLE. (Dunne & Pepper Tree)	☐	KINDNESS FIRST. WHICH MATTER. (Dunne near Nordstrom)
☒	LET NATURE SING (Dunne & Hill)	☐	VALLEY VALLEY (Thousand & Vineyard)
☐	LOVE EVERYONE (Main & Caffe Macster)	☐	WHAT YOU THINK YOU BECOME (Main & Leger)

(AM reserves the right to assign an alternate location based on availability)

Design Description

The "Let Nature Sing" design depicts birds that nest in Coyote Valley and can be found in Morgan Hill. They include:

- Red-Winged Blackbird
- Lesser Goldfinch
- Acorn Wood pecker
- California Scrub jay
- Hooded Oriole

In the design they are shown perched in a tree.

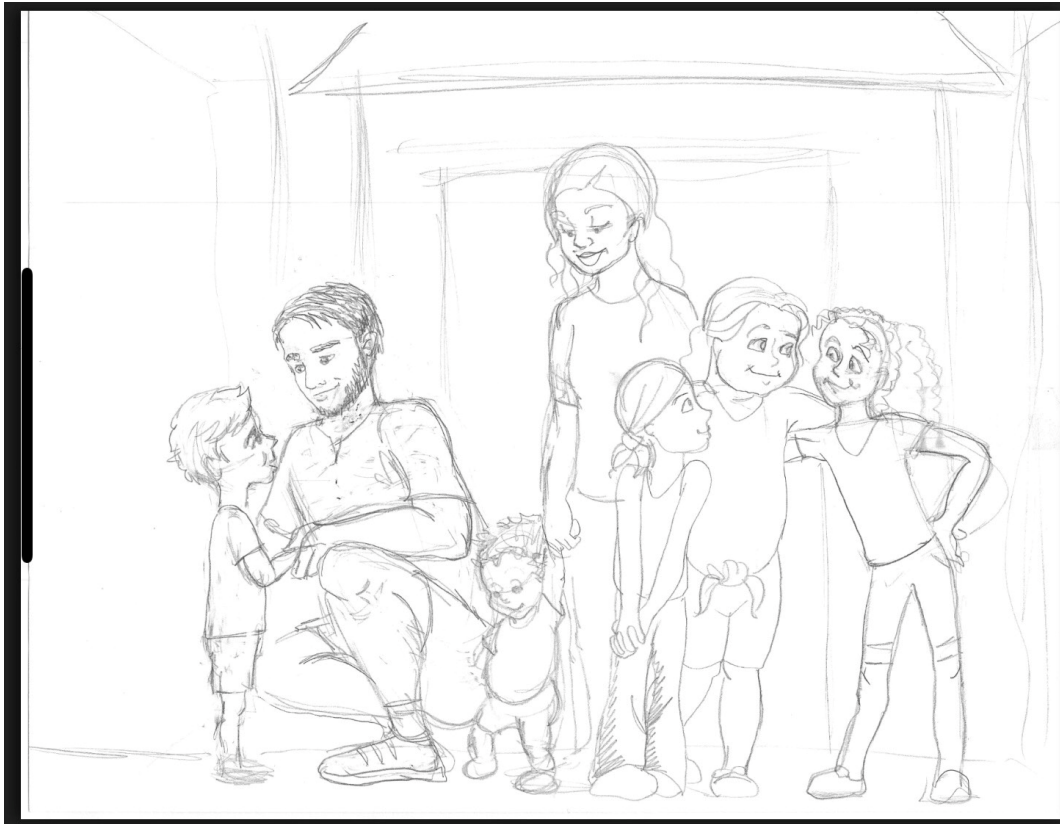
Depending on how the design looks on the utility box, and how the paint works, I'll add additional detail as needed.

I plan to repeat the design on the second box perhaps with several different birds.

Samples of my work can be viewed at www.jvgriffiths.com

5. Love Everyone

- Main and Calle Mazatan (El Toro Elem)
- Artist Shawna Gonzales (See portfolio)
- Box designed to be proportionate to dimensions.)



Proposed Design Template

Actual utility boxes vary in size, shape and have various vents, seams, doors, and handles. Be prepared to adjust art work to fit a unique utility box.

TOP



Example of Main Box
in Morgan Hill



BACK

SIDE

FRONT

SIDE

Shawna Gonzales' Portfolio



Artwork Description

Love Everyone

Title of Submission

Box Preference (If interested, refer to location map)

☐	INSPIRE OTHERS (Monterey & 4 th)	☐	COURAGE DOES NOT ALWAYS ROAR (Monterey & Main)
☐	WELCOME HOME! (Main & Butterfield)	☐	BE YOUR OWN HERO (Railroad Park)
☐	NEVER GIVE UP. NOTHING IS IMPOSSIBLE. (Dunne & Peppertree)	☐	KINDNESS FIRST. WORDS MATTER. (Dunne near Nordstrom)
☐	LET NATURE SING (Dunne & Hill)	☐	VALUE TRUTH (Tennant & Vineyard)
☒	LOVE EVERYONE (Main & Calle Mazatan)	☐	WHAT YOU THINK YOU BECOME (Hale & Llagas)

LMH reserves the right to assign an alternate location based on availability

Design Description

My design for the box on Main near El Toro will be a representation of the diversity of our town.

The concept is that the viewer is looking at a crowd gathered to watch our own Morgan Hill July 4th Parade. You will see families and friends of all shapes, sizes, races, religions, and sexual orientations celebrating our country's heritage together. To me, loving everyone means accepting everyone, and I thought this concept captured the theme of the box. Some may also recognize some familiar faces, as I will be taking some of the people directly from El Toro yearbooks as well as pictures taken of the El Toro community and posted online.

The sketches I have provided are rough, but the final design will be clean, bright, colorful and defined.

I have not finished the sketch for the smaller box, but it will follow the same theme.

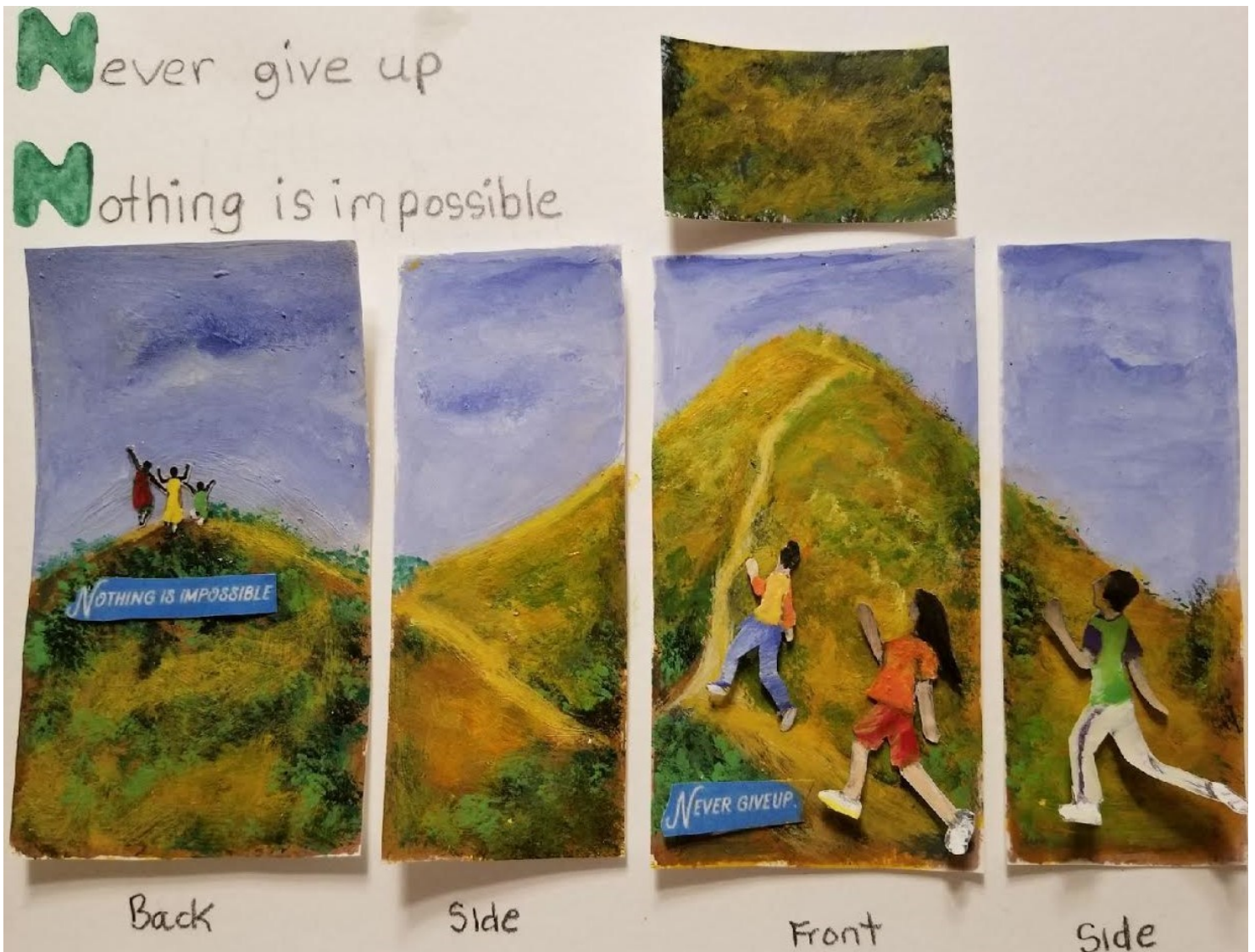
The "Love Everyone" text will be seen behind the people in 2 places on the signage of the stores.

I have much more work to do before I start the box, but hopefully this will give you an idea of where I am going.

6. Never give up. Nothing is impossible.

- Dunne and Peppertree (near Marbella Ct)
- Artist Teresa Anguiano
- A young family attempting to climb El Toro on a sunny day. Will be greatly detailed on the box. Artist will use a photograph of El Toro to make a stencil for the artwork.

Design 1



7. Kindness first. Words matter.

- Dunne and Peppertree (single traffic box near Nordstrom)
- Artist Teresa Anguiano
- The picture will be in great detail. Morgan Hill elements added (mushrooms)

Design 1



8. Be your own hero

- Inside the Railroad Park
- Artist Vanessa Davidson (see artist portfolio)
- A playful comic style painting. Bright colours and a scene that inspires strength and confidence.
- This will be changed: the dark silhouettes to be changed on the two identical boxes—one showing the female hero with colourful clothes in front, the other showing the male hero. Instead of the side with large letters, there will be pictures of a dog and a cat dressed as a superhero (to appeal to kids and also showcasing the sponsor—a vet clinic. (see artist portfolio pictures)



Proposed Design Template

Actual utility boxes vary in size, shape and have various vents, seams, doors, and handles. Be prepared to adjust art work to fit a unique utility box.



Design Description

The objective of this utility box design is to reinforce the importance of continued learning among our community members - "Never Stop Learning!" I used cubism style to approach the subject, employing bright colors and abstract, fragmented shapes through out the design. The combination of elements are similar to those in a collage.

Two men on the front and side of the utility box converse in different languages, as indicated by the different colored speech bubbles and text. Learning other languages not only facilitates understanding but also acceptance of different cultures in our community.

The use of gears in the design represents the processing of information and brain activity. Once again, reinforcing the motto - "Never Stop Learning!"

You will find on the back side of the utility box, an abstract landscape of Morgan Hill. Simple, geometric shapes and interlocking planes represent the buildings found in the logo for the Morgan Hill Downtown Assoc. A cubistic style woman looks on to witness the growth of

Morgan Hill, from small town to a large, welcoming community. Growth and diversity is the future of Morgan Hill. The image of the light bulb represents the generation of new ideas and high tech devices, contributing to the growth of the city. This growth cannot happen without the city's members continuing to learn and grow. "Never stop Learning!"

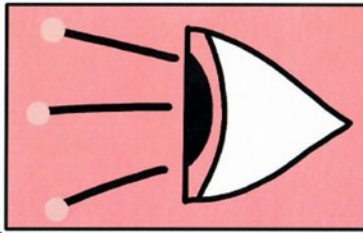
9. Never Stop Learning

- Pam Mossing
- Design 2—Cubist Expressionism

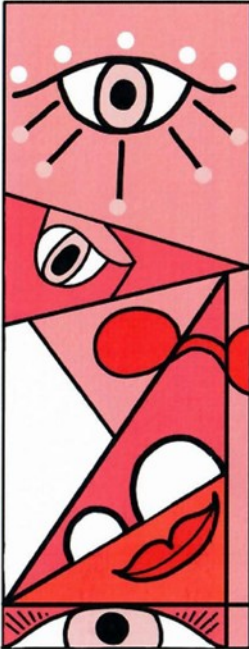
10. What you think, you become

- Hale/Llagas: (Near a Buddhist temple and Stratford School)
- Artist Noah Chin (student) (see portfolio of finished work)
- Painting description: “I dove into the imagination of the illustrated in a whimsical and disformed style that represents the sheer displacement of what people think. Each panel represents different categories and traits in which a person could follow or think. The back side, e.g. shows compassion, love and empathy — all which a person can think and become. The eyes are displaced from the normal position to express the peer insights of looking inside one’s mind to find traits and beliefs to think and become. I will be adding many more elements to the picture due to the upcoming deadline requirements.” He noticed that the backside would not be very visible thus, less detail on the back.

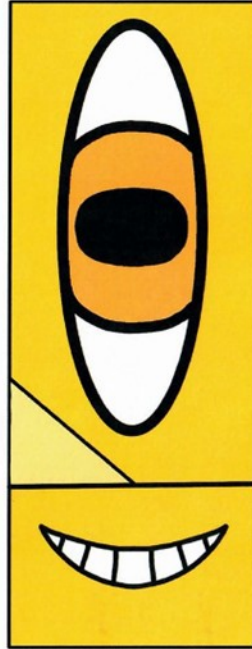




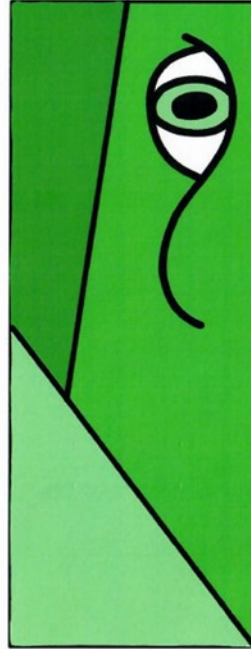
F



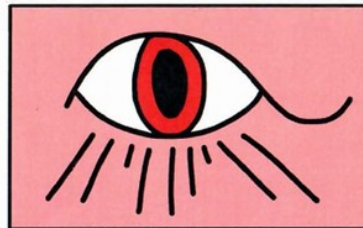
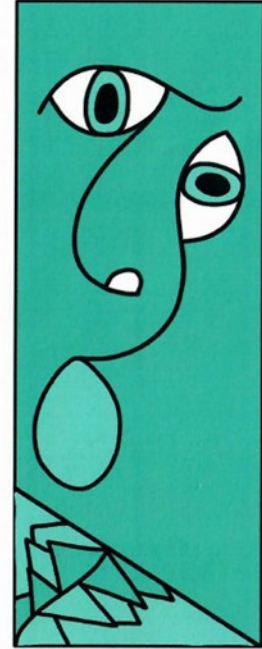
RS



B



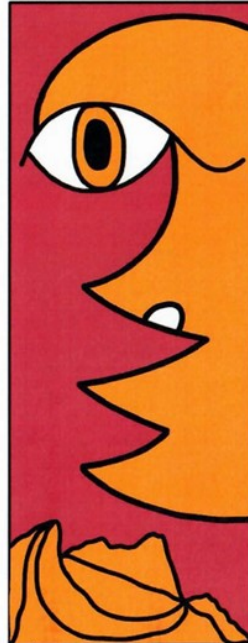
LS



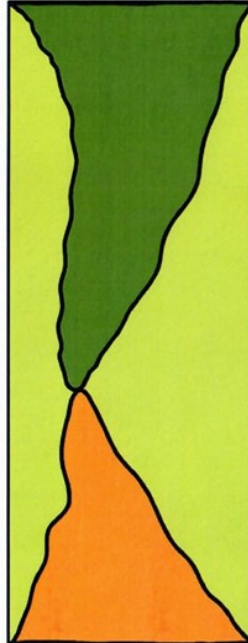
F



RS



B



LS





Item # 08
AGENDA DATE: 07/2518
PRESENTATION

Parklet Pilot Program



What is a Parklet?

Parklets are extensions of the sidewalk that repurpose on-street parking spaces for the creation of public space. Parklets utilize planters, trees, benches, tables, bike-parking, artwork, or sculptures to create a small parking-space sized park.







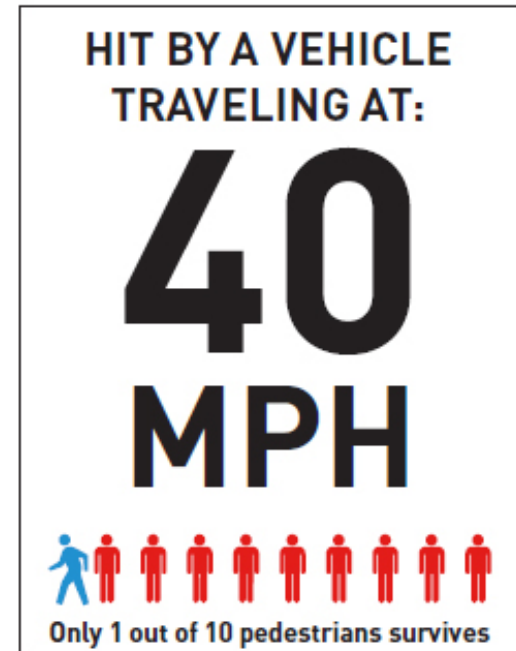
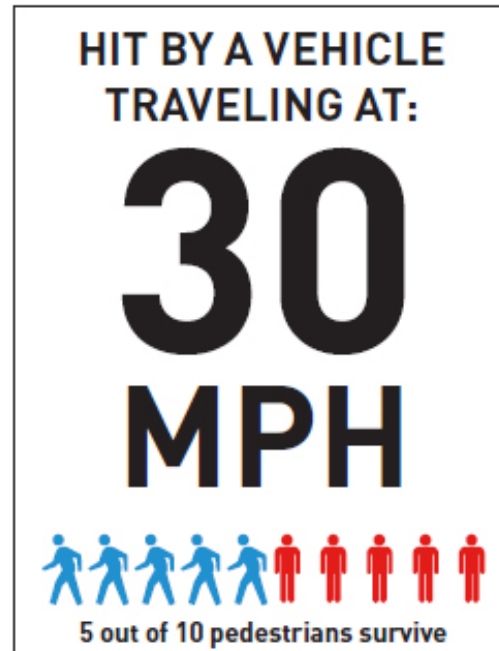
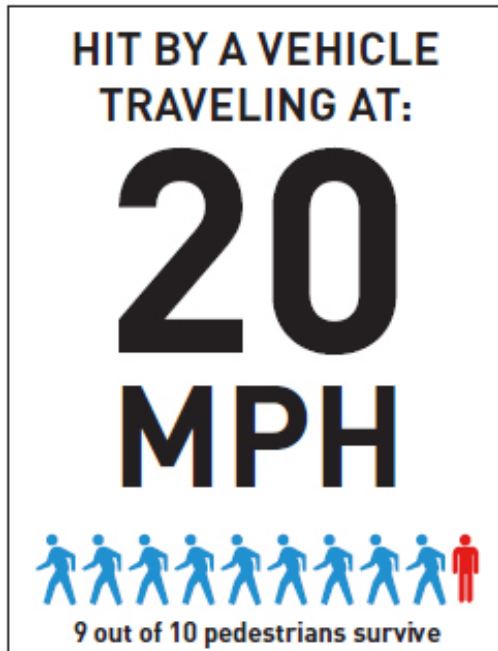


Pedestrian Safety Starts with Focusing on the Pedestrian

Why are Reduced Speeds Important?

Because...

Reduced Speeds Save Lives





What I Observed in Gilroy



Returning the Roadway to Boots & Bikes



Pilot Program



Questions?





July 24, 2018

Mayor Steve Tate and City Council
Morgan Hill City Council
City of Morgan Hill
17555 Peak Avenue
Morgan Hill, CA 95037

Re: July 25, 2018 City Council Meeting Agenda item 8
Approve Two Year Parklet Pilot Program

Mayor Tate and Councilmembers,

The Morgan Hill Downtown Association Board of Directors has supported the installation of downtown parklets in the past and continues that support. This letter supports recent dialog between the Association and Morgan Hill Economic Development staff.

The practical use of parklets has been demonstrated in conjunction with the “Complete Streets” lane reduction trial to create additional spaces for social gathering, bicycle parking and expansion of business areas.

During the process of developing parklets for the Complete Streets trial we gained a lot of knowledge from practical experience as well as from consultants. We learned that the presence of parklets tend to calm traffic and attract people who see the prominent sidewalk activity. The additional usable space also allows businesses to expand their presence while also bringing more of Morgan Hill’s great outdoors into the experience.

Many new restaurants are planned to open in the downtown in the coming months and years. The new offerings promise to make Morgan Hill an even greater regional dining draw and all downtown businesses should benefit from the increased customer traffic.

New businesses will benefit from the dining scene established by the efforts of our existing businesses and have the advantage of designing to that successful market, some of that success is due to the asset of our great outdoor environment. Just look at the current crop of restaurants and you will see the emphasis on outdoor dining and lounging.

By allowing parklets to be created some of our existing businesses will also be able to add an outdoor dining experience or optimize existing outdoor dining areas to better support the popular dining setting. This also holds the potential to allow traditional retail to create areas of interest in front of their businesses.

We are excited about the growing popularity of our downtown’s dining offerings. We want to make sure that all of our businesses benefit from this growth and that would include providing existing businesses an opportunity to add or improve amenities to keep them relevant in our growing marketplace. The use of parklets would be one way of allowing our businesses to work to maintain and expand their place in a growing but always competitive market.

We support the parklet program and other means to allow our existing businesses to work to remain competitive with the wonderful new offerings coming to our downtown.

We also believe that attracting more customers to our downtown will highlight the challenge of how to keep them safe while crossing our streets and dining in our outdoor dining areas, especially the supported parklets.

We would like to see an enhanced downtown visitor traffic safety plan. We would be happy to assist in reviewing current and in developing any future policies for the safety of our downtown visitors, employees, and residents.

The Board of Directors of the Morgan Hill Downtown Association enthusiastically supports the Two Year Parklet Pilot Program.

Please feel free to contact us with any questions you may have.

Thank you.

Sincerely,
Board of Directors
Morgan Hill Downtown Association

90 W. Main Avenue, Suite 12
Morgan Hill, CA 95037
(408) 779-3190
mhda@morganhilldowntown.org

Item # 8

AGENDA DATE: 07/25/18
SUPPLEMENT # 2

From: [Christina Turner](#)
To: [CityCouncil](#)
Cc: [Donald Larkin](#); [Leslie Little](#); [Edith Ramirez](#); [Michelle Bigelow](#); [Angie Gonzalez](#)
Subject: Parklet Pilot Program Inquiries
Date: Wednesday, July 25, 2018 6:37:45 PM

Please see responses below to inquiries regarding item 8 – parklet pilot program:

1. What costs might occur and who would pay for which costs and why?

The applicant would have to pay for the permitting fee as well as the design and construction of the parklet. The permits may include an Encroachment Permit as well as a Building and Fire Department permit. The fees are City standard fees that pay for review and inspection.

2. How many parklets could get approved (max.) and how many should get approved for the trial?

Currently, there is no limit suggested on the numbers of parklets allowed under the pilot program. We have two existing requests and we believe there will be a couple of additional restaurants that may want to use the program.

3. How would the city ensure that pedestrians walking through the city that are not guests of a restaurant or so can easily and safely pass (along the side walk)?

The Encroachment Permit application will review the proposed design to ensure necessary pedestrian right-of-way is maintained, meeting ADA standards. Parklets will not block the sidewalk and will ensure that the four-foot path of travel is maintained.

4. Who would be liable in case of an accident?

The applicant (business owner is liable). The Encroachment Permit will require additional insurance for the parklet area and indemnification for the City.

5. How is the safety being determined?

The Encroachment Permit will review Parklet design to ensure pedestrian and vehicular safety. Proposed standards require bollards, cabling or some form of barrier such as a planter to distinguish the space from the roadway.

6. What about parklets during winter/rainy season? What will be done to ensure that they still look great even if not used?

The Parklet permit will condition that the parklet owner keep the site clean, safe and well maintained or the City will have the right to revoke the parklet permit and/or remove the parklet.



Preservation of Below Market Rate Homes



POLICY CONSIDERATION:



Should the City Council consider authorizing the establishment of a \$1,000,000 Below Market Rate (BMR) Housing Acquisition and Rehabilitation revolving fund?

Purchase and preserve BMRs



- The City can exercise its rights under the terms of the Restricted Covenants to purchase the BMR for resale
- Low to moderate income first-time homebuyers
- An additional 45 year affordability term

Revolving Housing Fund 236



- Requesting authority to create a Budget line item in Housing Fund 236, \$1,000,000
- Costs are for acquisition and/or rehabilitation
- The Fund is reimbursed and replenished at the time the home is resold

Before accessing the fund, staff will verify:



- Costs are reviewed and supported by the City Manager
- Dollars spent can be recovered to the Housing Fund from the resale
- All other efforts have been exhausted and purchasing the home is required to maintain the home in the portfolio



RDCS Competition Manual and Available Allotments for 2018 Competition Year



Residential Development Control System



RDCS Competition Manual

- Planning Commission held workshops on June 5 and 19, 2018
- City Council to consider Planning Commission recommendations incorporated into the RDCS Competition Manual

Residential Development Control System



RDCS Competition Manual

Affordable Housing

- Tables within the RDCS Competition Manual require 15% public benefit commitment
- 10% public benefit commitment for downtown projects
- Additional points for public benefit commitment above baseline

Residential Development Control System



RDCS Competition Manual

Affordable Housing

- Point availability would differ based on affordability levels within a project
- Minimum score eliminated with the adoption of the Inclusionary Ordinance

Residential Development Control System



RDCS Competition Manual

RDCS Implementation Policies

- RDCS Calendar to be adjusted to reflect City Council final action
- RDCS submittal deadline will likely be late January or early February

Residential Development Control System



2018 RDCS Available Allotments

- No more than 215 allotments may be awarded
- No later than 6 months prior to RDCS application deadline, Planning Commission may recommend number of available allotments for competition

Residential Development Control System

2018 RDCS Available Allotments

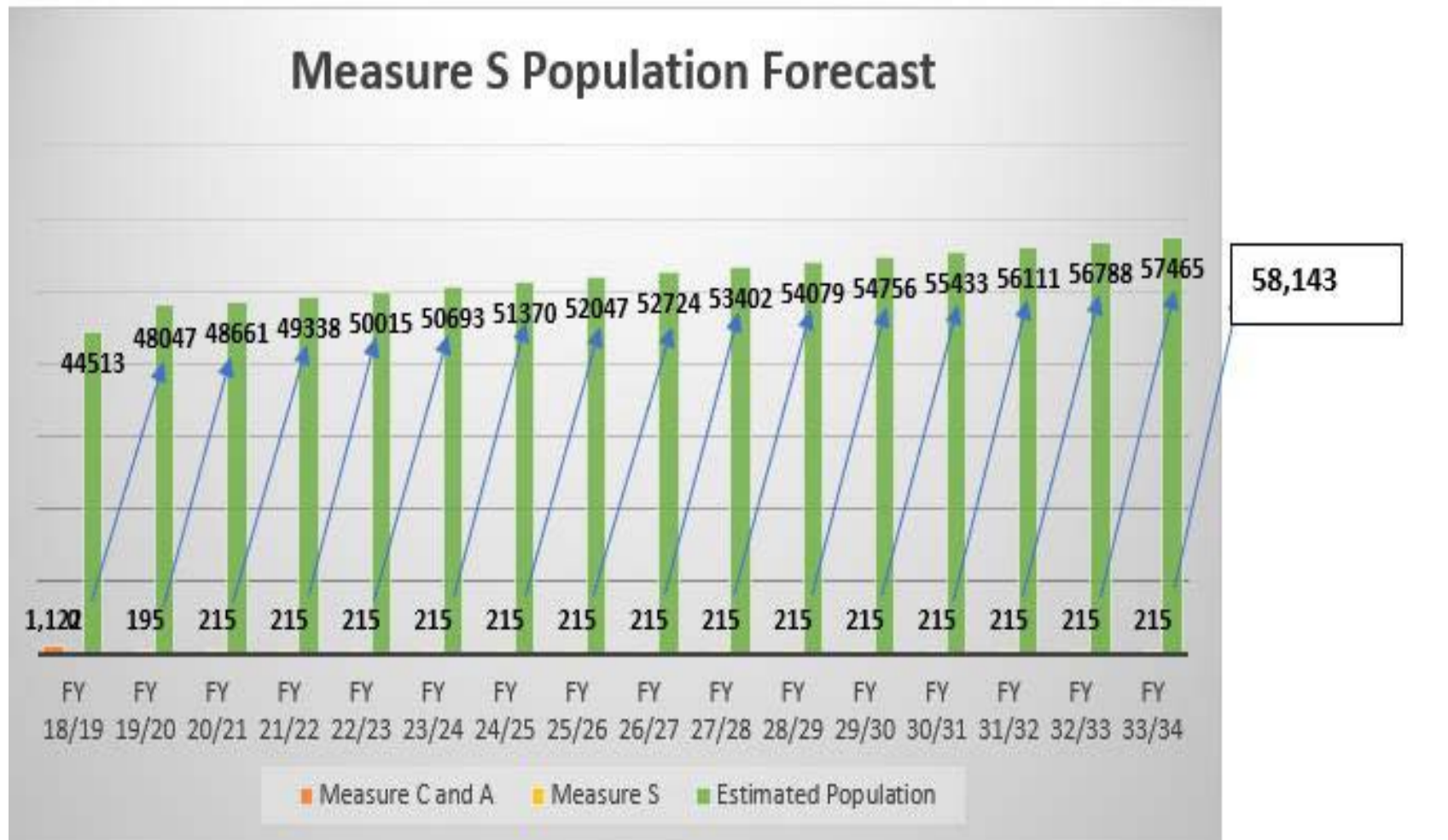
- Jan. 1, 2018 Population: 44,513
- 3.15 Persons per household (PPH)

Outstanding Measure A and Measure C Allotments	
Measure C Allotments	983
Measure A Allotments	139
Total	1,122

- Adjusted FY 19/20 population:
 $1,122 \text{ d/u} \times 3.15 \text{ PPH} = 3,534 + 44,513 = 48,047$

Residential Development Control System

2018 RDCS Available Allotments



Residential Development Control System



2018 RDCS Available Allotments

- Planning Commission discussed accuracy of forecast
- Determined findings required by 18.78.110.B could not be made
- Because of unique circumstances with the State declared housing crisis, changes in State housing law, particularly as applicable to affordable housing and the need to meet RHNA numbers, a reduction in allotments was not recommended

Residential Development Control System



2018 RDCS Available Allotments

- 215 allotments should be made available for FY2020/21 with following distribution:

<u>Competition Category</u>	<u>Number of Allotments</u>
Affordable Housing	97
On-going Projects (Measure C)	25
On-going Projects (Measure S)	15
Unassigned	78
Total	215

Residential Development Control System



Recommendation

- Open/close public hearing;
- Waive first/second reading of Ordinance amending Section III;
- Introduce Ordinance amending Section III;
- Adopt Resolution Amending Sections I, II and IV; and
- Adopt Resolution establishing 215 Fiscal Year 2020/21 allotments

Questions?



Residential Development Control System



2018 RDCS Available Allotments

Findings for Reduction

- A. Reducing the number of allotments is necessary to prevent a sudden spike in construction of new housing caused by a backlog of awarded allotments which have not yet been exercised.
- B. Public infrastructure and services are or will be inadequate to accommodate the new development. Public infrastructure and services include public schools, the transportation system, parks, police, fire service, storm drainage, wastewater, and water service.

Residential Development Control System



2018 RDCS Available Allotments **Findings for Reduction**

- C. Other conditions are present that necessitate a reduction in the number of available allotments to achieve the RDCS purpose as stated in Section 18.78.010 (RDCS Purpose and History).
- D. Downtown and/or Agricultural Preservation Set-Aside allotments have been issued. The number of annual allotments must be reduced to address the issuance of any set-aside allotments.
- E. There is insufficient demand necessary to produce high quality developments or public benefits.

From: [Christina Turner](#)
To: [CityCouncil](#)
Cc: [Donald Larkin](#); [Leslie Little](#); [Jennifer Carman](#); [Michelle Bigelow](#); [Angie Gonzalez](#)
Subject: RDCS Inquiries
Date: Wednesday, July 25, 2018 6:30:43 PM
Attachments: [2017 RDCS Applications.xlsx](#)

Please see responses below to inquiries regarding item 10 – RDCS Manual

1: How many units have actually been built in 2017 and, so far, in 2018?

223 Building Permits were issued for new residential units – 217 of those were related to RDCS. The remaining 6 were for exempt single family homes.

133 Building Permits were issued for new residential units – One of these permits included the 83 units in the Sunsweet project (Downtown Exemption) and one was for an exempt single family home.

2: How many are forecasted to get actually built for all of 2018 and 2019?

Forecasted Building Permits to be issued in remaining 2018 - 65

Forecasted Building Permits to be issued in 2019 – between 165 and 185

3. How many allotments were given out in 2017 and 2018 so far and how many, of these, were not part of the RDCS approved allotments (e.g. allotments within downtown area)

RDCS Cycle 16-17 – issued in 2014 competition – 242 Outside of RDCS - Sunsweet – 83 units

RDCS Cycle 17-18 – issued in 2015 competition – 242 Outside of RDCS - Cityventures – 29 units

RDCS Cycle 18-19 – issued in 2016 competition - 250

RDCS Cycle 19-20 – issued in 2017 competition – 195 (most recent)

RDCS Cycle 20-21 – issued in 2018 competition – 215 proposed

Barley Place (16 units) was issued in 2014 but had numerous extensions. The project commenced construction in 2016.

4. How many allotments outside of RDCS are expected to be given out this year and 2019?

Staff is proposing that 215 be the overall number of allocations for both 20-21 (to be issued in 2018) and 21-22 (to be issued in 2019). There are 40 units under

consideration as part of the Downtown Exemption that could apply to the 20-21 cycle provided they complete their scoring in 2018 and are awarded. The number of allotments expected to be given outside of the RDCS for the 21-22 cycle in 2019 remain to be determined but will likely be affordable projects depending on the effect of new housing laws and how Council directs staff to address them (i.e. issuing affordable housing allotments outside of RDCS).

5. Can you tell me the categories for the 2017 competition? And what the number of requested allocations was in each category.

Affordable - 0

Ongoing - 59

Unassigned - 495

And what the final allocations were.

195 Final allocations were issued and the breakout is included in attached document.

2017 RDCS APPLICATIONS (FY 2019/2020) 195 Allotments Available

File #	Steet Name-Applicant	App. Date	Category	APN	Multi-Year Request	Allotment Request	No. Lots/Units	Final Award
RDCS2017-0012	E. Dunne-Young	1/4/2018	Single Family Attached	726-02-007	3 years	46	46	20
RDCS2017-0013	Cochrane-Mwest	1/4/2018	Multi-Family	726-25-061, 066, 067, 078, 079	5 years	379	389	71
RDCS2017-0014	Monterey-Central ECA	1/4/2018	SFR	726-23-020	No	12	12	0
RDCS2017-0015	Diana-Mana Hanalei	1/4/2018	SFR	726-09-001 and 002	No	23	24	24
RDCS2017-0016	Watsonville-Blackrock	1/4/2018	SFR	779-02-023	3 years	13	13	0
RDCS2017-0017	Hill-Morgan Hill Devco	1/4/2018	SFR	817-20-031	No	22	22	22
On-going	Madison Gate	1/4/2018	Single Family Attached			20		20
On-going	Evergreen	1/4/2018	Multi-Family			14		14
On-going	Toll Brothers	1/4/2018	SFR			25		25

Total Allotment Request: 554

From: [Christina Turner](#)
To: [CityCouncil](#)
Cc: [Donald Larkin](#); [Leslie Little](#); [Jennifer Carman](#); [Michelle Bigelow](#); [Angie Gonzalez](#)
Subject: Fwd: RDCS Inquiries
Date: Wednesday, July 25, 2018 7:19:53 PM

Begin forwarded message:

From: Jennifer Carman <Jennifer.Carman@morganhill.ca.gov>
Date: July 25, 2018 at 7:17:03 PM PDT
To: Christina Turner <Christina.Turner@morganhill.ca.gov>, Leslie Little <Leslie.Little@morganhill.ca.gov>
Subject: RE: RDCS Inquiries

2017 - 142 Building Permits finalized– 138 relating to RDCS and 4 exempt single family
2018 – 145 Building Permits finalized as of today
No immediate way to forecast for remainder of 2018 using Trakit. We can work to develop an estimate but it will take some time.

Jennifer Carman
Community Development Director
City of Morgan Hill
Jennifer.Carman@morgan-hill.ca.gov
P. 408.310.4657
17575 Peak Avenue, Morgan Hill, CA 95037-4128
www.morgan-hill.ca.gov

From: Christina Turner
Sent: Wednesday, July 25, 2018 6:52 PM
To: Leslie Little <Leslie.Little@morganhill.ca.gov>; Jennifer Carman <Jennifer.Carman@morganhill.ca.gov>
Subject: Fwd: RDCS Inquiries

Begin forwarded message:

From: Rene Spring <Rene.Spring@morganhill.ca.gov>
Date: July 25, 2018 at 6:49:26 PM PDT

To: Christina Turner <Christina.Turner@morganhill.ca.gov>

Subject: Re: RDCS Inquiries

Re: question 1

How many new units got actually built (not just permits pulled) in 2017 and so far in 2018? What about forecast for 2018?

Sent from my iPad

On Jul 25, 2018, at 6:30 PM, Christina Turner
<Christina.Turner@morganhill.ca.gov> wrote:

Please see responses below to inquiries regarding item 10 –
RDCS Manual

1: How many units have actually been built in 2017 and, so far, in 2018?

223 Building Permits were issued for new residential units – 217 of those were related to RDCS. The remaining 6 were for exempt single family homes.

133 Building Permits were issued for new residential units – One of these permits included the 83 units in the Sunsweet project (Downtown Exemption) and one was for an exempt single family home.

2: How many are forecasted to get actually built for all of 2018 and 2019?

Forecasted Building Permits to be issued in remaining 2018 - 65

Forecasted Building Permits to be issued in 2019 – between 165 and 185

3. How many allotments were given out in 2017 and 2018 so far and how many, of these, were not part of the RDCS approved allotments (e.g. allotments within downtown area)

RDCS Cycle 16-17 – issued in 2014 competition – 242 Outside of RDCS -

Sunsweet – 83 units

RDCS Cycle 17-18 – issued in 2015
competition – 242 Outside of RDCS -
Cityventures – 29 units

RDCS Cycle 18-19 – issued in 2016
competition - 250

RDCS Cycle 19-20 – issued in 2017
competition – 195 (most recent)

RDCS Cycle 20-21 – issued in 2018
competition – 215 proposed

Barley Place (16 units) was issued in
2014 but had numerous extensions.
The project commenced construction
in 2016.

4. How many allotments outside of RDCS are expected to be given out this year and 2019?

Staff is proposing that 215 be the overall number of allocations for both 20-21 (to be issued in 2018) and 21-22 (to be issued in 2019). There are 40 units under consideration as part of the Downtown Exemption that could apply to the 20-21 cycle provided they complete their scoring in 2018 and are awarded. The number of allotments expected to be given outside of the RDCS for the 21-22 cycle in 2019 remain to be determined but will likely be affordable projects depending on the effect of new housing laws and how Council directs staff to address them (i.e. issuing affordable housing allotments outside of RDCS).

5. Can you tell me the categories for the 2017 competition? And what the number of requested allocations was in each category.

Affordable - 0
Ongoing - 59
Unassigned - 495

And what the final allocations were.

195 Final allocations were issued and the
breakout is included in attached document.

<2017 RDCS Applications.xlsx>



CITY OF MORGAN HILL

Regular Meeting Agenda

City Council

Steve Tate - Mayor

Rich Constantine - Mayor Pro Tem

Larry Carr - Council Member

Caitlin Jachimowicz - Council Member

Rene Spring - Council Member

Wednesday, July 25, 2018 7:00 pm

Council Chamber

17555 Peak Avenue, Morgan Hill, CA 95037

The City Council has adopted a policy that regular meetings shall not continue beyond 11:00 p.m. unless extended by a majority of the City Council.

CALL TO ORDER

(Mayor Tate)

ROLL CALL ATTENDANCE

DECLARATION OF POSTING AGENDA

Per Government Code Section 54954.2

(Deputy City Clerk Bigelow)

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CITY COUNCIL REPORTS

Council Member Spring

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

OTHER REPORTS

PUBLIC COMMENT

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. (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

1. APPROVAL OF UPDATED CITY COUNCIL POLICIES 96-01, PLACEMENT OF ITEMS ON THE AGENDA AND MATTERS TO BE RECONSIDERED BY THE CITY COUNCIL AND 97-01, RULES FOR THE CONDUCT OF CITY COUNCIL MEETINGS

Recommendation:

Approve updated City Council Policies 96-01, Placement of Items on the Agenda and Matters to be Reconsidered by the City Council and 97-01, Rules for the Conduct of City Council Meetings.

2. PROJECT UPDATE AND THIRD AMENDMENT TO AGREEMENT WITH ASSOCIATED RIGHT OF WAY SERVICES, INC. FOR THE HALE AVENUE EXTENSION PROJECT

Recommendation:

1. Receive project update for the Hale Avenue Extension Project; and
2. Approve and authorize the City Manager to execute a Third Amendment to agreement with Associated Right of Way Services, Inc. in the amount of \$24,400 to continue to provide acquisition services for property needed to construct the Hale Avenue Extension Project for a total contract amount of \$194,400.

3. APPROVAL OF A CONSULTANT AGREEMENT WITH LISA WISE CONSULTING, INC. FOR PREPARATION OF THE MONTEREY CORRIDOR BLOCK-LEVEL MASTER PLAN

Recommendation:

Approve Consultant Agreement with Lisa Wise Consulting, Inc. (LWC) for preparation of the Monterey Corridor Block-Level Master Plan in an amount not to exceed \$64,905.

4. RESOLUTION IN SUPPORT OF PROTECT CHILDREN AND KEEP FAMILIES TOGETHER

Recommendation:

Adopt resolution in support of "Protect Children and Keep Families Together."

5. CITY POSITION ON PROPOSED HOUSING AND HOMELESSNESS LEGISLATION

Recommendation:

Receive legislative correspondence.

6. ADOPT ORDINANCE 2278, NEW SERIES, AN ORDINANCE OF THE CITY OF MORGAN HILL ADDING TITLE 14 "HOUSING" TO THE MORGAN HILL MUNICIPAL CODE INCLUDING CHAPTER 14.04 "INCLUSIONARY HOUSING" THAT MANDATES 15 PERCENT AFFORDABLE HOUSING UNITS FOR NEW RESIDENTIAL DEVELOPMENTS WITHIN THE CITY

Recommendation:

Waive the reading, adopt Ordinance No. 2278, New Series, and declare that said title, which appears on the agenda, shall be determined to have been read by title and further reading waived.

OTHER BUSINESS

7. LEADERSHIP MORGAN HILL UTILITY BOX ART PROPOSAL

Recommendation:

1. Approve the Leadership Morgan Hill Class of 2018 public art proposals for artwork at ten utility box locations; and
2. Authorize the City Manager to enter into and administer necessary agreements to complete the project.

Estimated Time: 15 Minutes

8. APPROVE TWO YEAR PARKLET PILOT PROGRAM

Recommendation:

Adopt guidelines for a pilot program to authorize parklets within a two-year period in the downtown.

Estimated Time: 20 Minutes

9. APPROVE REVOLVING FUND TO PROVIDE CASH FLOW FOR ACQUISITION AND REHABILITATION OF BELOW MARKET RATE HOMES IN ORDER TO PRESERVE THE UNITS FOR RE-SALE

Recommendation:

1. Authorize the establishment of a \$1,000,000 Below Market Rate (BMR) Housing Acquisition and Rehabilitation revolving fund to provide cash flow for the preservation of BMR homes that need to be purchased and/or rehabilitated by the City and resold to new eligible homeowners; and
2. Approve an amendment to the City's Fiscal Year 2018-19 budget, appropriating \$1,000,000 from the Housing Fund (236) for a revolving fund for short term expenses associated with the acquisition and/or rehabilitation of BMR homes that need to be purchased and/or rehabilitated for resale.

Estimated Time: 10 Minutes

PUBLIC HEARING

10. ZA2018-0003: AN ORDINANCE AMENDING THE COMPETITION MANUAL FOR THE RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDCS) AND ESTABLISHING THE AVAILABLE ALLOTMENTS FOR THE 2018 COMPETITION YEAR

Recommendation:

1. Open/close public hearing;
2. Waive first and second reading of Ordinance amending Section III of the RDCS Competition Manual;
3. Introduce Ordinance amending Section III of the RDCS Competition Manual;
4. Adopt resolution amending Sections I, II and IV of the RDCS Competition Manual;
5. Adopt Resolution establishing 215 Fiscal Year 2020/21 allotments for the 2018 RDCS competition.

Estimated Time: 60 Minutes

CLOSED SESSION

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to: Government Code Section 54956.9(d)(2)

Number of Cases: One (1)

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Authority: Government Code Section 54956.8

- a. Property: APN 767-03-036
- Agency Negotiators: Christina Turner, Chris Ghione, and Scott Creer
- Negotiating Parties: Farideh Betpolice

- | | |
|----------------------|---|
| Under Negotiation: | Price and Terms of Payment |
| | |
| b. Property: | APN 767-01-052 |
| Agency Negotiators: | Christina Turner, Chris Ghione, and Scott Creer |
| Negotiating Parties: | Rocke and Glenda Garcia |
| Under Negotiation: | Price and Terms of Payment |
| | |
| c. Property: | APN 767-05-001 and 767-04-009 |
| Agency Negotiators: | Christina Turner, Chris Ghione, and Scott Creer |
| Negotiating Parties: | Pacific Gas and Electric Company |
| Under Negotiation: | Price and Terms of Payment |
| | |
| d. Property: | APN 817-13-037 |
| Agency Negotiators: | Christina Turner and Chris Ghione |
| Under Negotiation: | Price and Terms of Sale or Lease |
| | |
| e. Property: | APN 817-14-004, 817-17-009, 817-14-005 |
| Agency Negotiators: | Christina Turner and Chris Ghione |
| Under Negotiation: | Price and Terms of Sale or Lease |
| | |
| f. Property: | APN 817-13-011 |
| Agency Negotiators: | Christina Turner and Chris Ghione |
| Negotiating Parties: | James P Sergi, Trustee |
| Under Negotiation: | Price and Terms of Payment |
| | |
| g. Property: | APN 817-13-008 |
| Agency Negotiators: | Christina Turner and Chris Ghione |
| Negotiating Parties: | Angelo Grestoni |
| Under Negotiation: | Price and Terms of Payment |

RECONVENE

CLOSED SESSION ANNOUNCEMENT

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.

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 michelle.wilson@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 michelle.wilson@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

Morgan Hill is a safe, inclusive, socially responsible, environmentally conscious, and economically sound community.

CITY COUNCIL ONGOING PRIORITIES

Enhancing Public Safety · Protecting the Environment · Maintaining Fiscal Responsibility ·
Supporting Our Youth, Seniors, and Entire Community · Fostering a Positive Organizational Culture ·
Preserving and Cultivating Public Trust · Preserving Our Cultural Heritage ·
Enhancing Diversity and Inclusiveness

2018 STRATEGIC PRIORITIES

Community Engagement and Messaging

Economic Development and Telecommunications

Financial Stewardship

Infrastructure

Regional Initiatives

2018 STRATEGIC PRIORITIES:



Community Engagement and Messaging

The City of Morgan Hill will tell our story through outreach and by working closely with our community in presenting our vision, priorities, and financial needs, and by engaging citizens and business owners to find affordable and sustainable solutions. The City's communications, services, public spaces, and projects will embrace all community members as partners, encouraging public participation.



Economic Development and Telecommunications

The Economic Blueprint will continue to be implemented, with a primary goal of attracting jobs and investment into our community. The City will collaborate with the private sector to explore ways to provide fast, reliable access and wireless connectivity for residents and businesses. The 2016 Telecommunications Infrastructure and Economic Blueprint reports will be the foundation for continuing discussions with broadband providers, public utilities, and other infrastructure service providers in developing an implementation plan for growing our telecommunications infrastructure with private sector partnerships. The plan will be used to signal Morgan Hill's support for business expansion.



Financial Stewardship

We will be financial stewards of the City's assets to ensure long-term fiscal sustainability. New revenue sources, including a possible tax measure, will be considered to fund increasing costs to deliver services and complete infrastructure projects. The City will closely manage its expenditures to maintain its general fund reserve. The labor contracts will be negotiated using the City's adopted Employee Compensation Guiding Principles.



Infrastructure

The City will review its streets, parks, and public facilities infrastructure needs to quantify the funding gap. We will identify potential funding options as ongoing revenue is insufficient to fund our vital community assets at a sustainable level without significantly impacting existing service levels that our community has come to expect. Morgan Hill will actively work with the Valley Transportation Agency, the County, and the State to secure funding for transportation projects and road maintenance. For High Speed Rail, we will strongly advocate for the route with the least impact on Morgan Hill.



Regional Initiatives

City Council and staff will focus on influencing regional decisions that benefit Morgan Hill. A regional approach will be employed to address many priorities, including but not limited to, homelessness, animal services, teen suicide, High Speed Rail, and land use (Catholic High School, Outdoor Sports Center, agricultural preservation, and city limits). This regional involvement will include partnering with the League of California Cities, Valley Transportation Authority, Caltrain, Santa Clara Valley Water District, Cities Association of Santa Clara County, the City of Gilroy, Santa Clara County, Morgan Hill Unified School District, the Local Agency Formation Commission, the Open Space Authority, and Silicon Valley Clean Energy to advance projects that further Sustainable Morgan Hill.



CITY OF MORGAN HILL

Special Meeting Agenda

City Council

Steve Tate - Mayor

Rich Constantine - Mayor Pro Tem

Larry Carr - Council Member

Caitlin Jachimowicz - Council Member

Rene Spring - Council Member

Wednesday, July 25, 2018 8:30 pm

Council Chamber

17555 Peak Avenue, Morgan Hill, CA 95037

SPECIAL MEETING

A Special Meeting of the City Council is called at 8:30 p.m. for the purpose of conducting a closed session.

CALL TO ORDER

(Mayor Tate)

ROLL CALL ATTENDANCE

DECLARATION OF POSTING OF AGENDA

*Per Government Code 54954.2
(Deputy City Clerk Bigelow)*

CLOSED SESSION

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Authority:

Government Code Section 54956.8

a. Property:	APN 817-15-051
Agency Negotiators:	Christina Turner and Chris Ghione
Negotiating Parties:	Greenstand, Inc.
Under Negotiation:	Price and Terms of Payment

RECONVENE

CLOSED SESSION ANNOUNCEMENT

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 michelle.wilson@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 michelle.wilson@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

Morgan Hill is a safe, inclusive, socially responsible, environmentally conscious, and economically sound community.

CITY COUNCIL ONGOING PRIORITIES

Enhancing Public Safety · Protecting the Environment · Maintaining Fiscal Responsibility ·
Supporting Our Youth, Seniors, and Entire Community · Fostering a Positive Organizational Culture ·
Preserving and Cultivating Public Trust · Preserving Our Cultural Heritage ·
Enhancing Diversity and Inclusiveness

2018 STRATEGIC PRIORITIES

Community Engagement and Messaging

Economic Development and Telecommunications

Financial Stewardship

Infrastructure

Regional Initiatives

2018 STRATEGIC PRIORITIES:



Community Engagement and Messaging

The City of Morgan Hill will tell our story through outreach and by working closely with our community in presenting our vision, priorities, and financial needs, and by engaging citizens and business owners to find affordable and sustainable solutions. The City's communications, services, public spaces, and projects will embrace all community members as partners, encouraging public participation.



Economic Development and Telecommunications

The Economic Blueprint will continue to be implemented, with a primary goal of attracting jobs and investment into our community. The City will collaborate with the private sector to explore ways to provide fast, reliable access and wireless connectivity for residents and businesses. The 2016 Telecommunications Infrastructure and Economic Blueprint reports will be the foundation for continuing discussions with broadband providers, public utilities, and other infrastructure service providers in developing an implementation plan for growing our telecommunications infrastructure with private sector partnerships. The plan will be used to signal Morgan Hill's support for business expansion.



Financial Stewardship

We will be financial stewards of the City's assets to ensure long-term fiscal sustainability. New revenue sources, including a possible tax measure, will be considered to fund increasing costs to deliver services and complete infrastructure projects. The City will closely manage its expenditures to maintain its general fund reserve. The labor contracts will be negotiated using the City's adopted Employee Compensation Guiding Principles.



Infrastructure

The City will review its streets, parks, and public facilities infrastructure needs to quantify the funding gap. We will identify potential funding options as ongoing revenue is insufficient to fund our vital community assets at a sustainable level without significantly impacting existing service levels that our community has come to expect. Morgan Hill will actively work with the Valley Transportation Agency, the County, and the State to secure funding for transportation projects and road maintenance. For High Speed Rail, we will strongly advocate for the route with the least impact on Morgan Hill.



Regional Initiatives

City Council and staff will focus on influencing regional decisions that benefit Morgan Hill. A regional approach will be employed to address many priorities, including but not limited to, homelessness, animal services, teen suicide, High Speed Rail, and land use (Catholic High School, Outdoor Sports Center, agricultural preservation, and city limits). This regional involvement will include partnering with the League of California Cities, Valley Transportation Authority, Caltrain, Santa Clara Valley Water District, Cities Association of Santa Clara County, the City of Gilroy, Santa Clara County, Morgan Hill Unified School District, the Local Agency Formation Commission, the Open Space Authority, and Silicon Valley Clean Energy to advance projects that further Sustainable Morgan Hill.